

# *The* **NATIONAL UNDERWRITER**

1926  
1951

*Twenty-Fifth Anniversary*

*Multiple Line Reinsurance*

**FIRE  
CASUALTY  
BONDING**

**EXCESS**

*Insurance Company of America*

*New York, New York • Kansas City, Missouri*

**THURSDAY, SEPTEMBER 27, 1951**

## Convert your contacts into contracts with Markel motor carrier coverage



### YOU HAVE NO SERVICE HEADACHES THANKS TO MARKEL-MEN LIKE "MR. X"

The job of "Mr. X" (you see his back in the picture) is to ride Markel insured bus lines and check on driver behavior and equipment function. Policyholders receive reports regularly from "Mr. X" — and bus drivers know they are apt to be under observation at any time. Result? Efficiency increases — accidents decrease — service improves — and Markel policyholders enjoy the profits!



*This is Markel service in action!  
It pays off for Markel agents  
with a consistently high ratio  
of closings and renewals.*

Successful agents have made Markel the greatest company of its kind in the world. Our agents are successful because Markel-Men like "Mr. X" all over the U. S. help Markel do a complete service job. MARKEL AGENTS HAVE NO SERVICING HEADACHES. They spend their time on profit-making production!

#### MARKEL AGENTS OFFER TO THEIR PROSPECTS:

- 24 HOUR ENGINEERING SERVICE ALONG INSURED'S ROUTES
- DAY AND NIGHT CLAIM SERVICE
- EFFECTIVE accident-prevention program at no cost to insured, including:
- SAFETY MEETINGS FOR DRIVER PERSONNEL
- LOWER PREMIUMS BASED ON LOSS EXPERIENCE.
- RESEARCH PROGRAM ON SAFETY METHODS AND DEVICES.
- MECHANICAL INSPECTION OF ROLLING STOCK
- NON-PROFIT WASHINGTON BUREAU FOR ASSURED'S USE
- HIGHWAY DRIVER-CHECKS BY EXCLUSIVE CAMERA-EQUIPPED PATROL CARS
- AWARD SYSTEM FOR SAFE DRIVERS
- TRAFFIC-HAZARD REPORT SERVICE
- NO RISK TOO SMALL—FLEET SIZE OR SINGLE UNIT OPERATION

#### MARKEL AGENTS HAVE AVAILABLE TO THEM A 10 POINT TESTED SALES AND PROMOTION PLAN PLUS THE SERVICES OF 36 REGIONAL OFFICES. MAIL COUPON NOW—YOU NEED NOT BE A SPECIALIST.

Markel Service, Inc., Richmond, Va., Dept. NU-9

GENTLEMEN: Please send me complete details on Markel Service. I am interested in selling this coverage.

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_

HOME OFFICE:  
RICHMOND, VA.



Look for this symbol of safety  
on America's trucks & buses

### MARKEL SERVICE INC.

"ELIMINATES THE CAUSE TO ELIMINATE THE ACCIDENT"

Exclusive Underwriters for the American Fidelity & Casualty Company, Inc.,  
the largest stock company in the world specializing in motor carrier coverages.

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## A. E. Burgener Takes Over as President of Utah Association

### Good Attendance at Annual Rally, Kidgell Named Vice-President

SALT LAKE CITY — Arnold E. Burgener of the Transportation Agency at Salt Lake City was elected president of Utah Assn. of Insurance Agents at its annual meeting here succeeding J. Edwin Stein, Provo. More than 200 persons registered for the convention and 510 attended the annual banquet.

The new vice-president is Fred C. Kidgell, Jr., Logan. L. A. North, Salt Lake City, was named secretary-treasurer, and Ralph D. Callister, Salt Lake City, state national director. Added to



A. E. Burgener



J. E. Stein

the executive committee were Mr. Stein, Fred E. Ray, Provo; Byron Turner, Logan, and Ray E. Carr, Richfield. Governor Lee officiated at the installation of officers.

James F. Van Vechten, Akron, O., in his initial appearance as president of the National association, asserted that a local agent should first be a good citizen, with an interest in state, national and local affairs. In reviewing insurance trends, Mr. Van Vechten deprecated mandatory deductibles on any insurance, particularly deploring their inclusion in the new additional extended coverage endorsement. He also discussed the young driver problem and stressed the need for more driver education throughout the country.

### Law Gives Added Responsibility

Perry H. Taft, Pacific Coast manager of Assn. of Casualty & Surety Companies, said that Utah's new safety responsibility law gives both agents and company men a definite responsibility to the motoring public. "Agents cannot stop now merely because the law has been passed," Mr. Taft declared. "They must keep fully informed in order to render proper advice to persons seeking coverage." Stuart C. Tait, Tait Appraisal Co., Los Angeles, told of cases where detailed appraisals saved considerable money for assured after a loss occurred and of other instances where inadequate appraisals caused financial calamities. Marland K. Strasser, Assn. of Casualty & Surety Companies, San Francisco, discussed the lack of uniformity in such important traffic items as driver licenses, arm signals and safety markers on highways and signposts. Commissioner Terry, in reporting on the progress of the Utah department during the past year, remarked that many agents are not keeping complete

(CONTINUED ON PAGE 12)

## Voice of U. S. Leaders Heard at Marine Union

By W. JUUL

Review of London  
Foreign Editor

The sixth postwar meeting of International Union of Marine Insurance drew a crowd of some 1,000 insurance and reinsurance men and their ladies to San Moritz. The union now comprises 35 national marine insurance associations from 33 different countries of which 25 were represented on the spot.



O. C. Torrey

The U. S. was represented by American Institute of Marine Underwriters, the delegation consisting of Owen C. Torrey, Marine Office of America, president; Frank B. Zeller, Royal-Liverpool, 1st vice-president, and Owen E. Barker, Appleton & Cox, 2d vice-president, and in addition a number of other prominent underwriters and brokers, including in particular John T. Byrne of Talbot, Bird & Co., who gave an important address on "Discrimination in Marine Insurance." This is a crusade in which he has taken a leading part. His address was warmly applauded and a resolution was adopted by the council of the union on the steps that can be taken to avoid discrimination by representation in the proper quarters.

The resolution asserts that marine insurance can only adequately fulfill its mission provided there is freedom of operation. It recommends, therefore, that continued efforts should be made to prevail on the appropriate international organizations to take all possible measures to guarantee such freedom for marine insurance and that all national organizations should endeavor to obtain such freedom within their own countries. These efforts should especially be directed towards the modification or elimination of laws, decrees, etc., which in any way or by any means prevent an assured from placing marine insurance wherever he may elect and on whatever basis he may choose, and finally recommended that insurance associations through trade associations, Chambers of Commerce, etc., should try to insure that among the institutions, services and trades accorded the most favored nation treatment in commercial treaties being negotiated with their respective countries, marine insurance especially be included. This is really most important as although government officials in drafting such trade clauses may maintain that marine insurance is included under the general terms of the clause, experience has shown that this may later be denied if the words marine insurance are not specifically included.

After Mr. Byrne's address, Dr. P. Guggenbühl, general manager of Swiss Reinsurance, gave an address on the same problem as it appears from the reinsurance angle and H. Hüttner, marine underwriter to Alpina Ins. Co., showed in a small speech much of that combative spirit so strongly urged by Professor Jorge Bande, president the permanent committee of the Hemispheric Conferences, who had sent a cable pledging full support and cooperation with International Union of Marine Insurance.

Both the Union and the Hemispheric Conferences have been placed on the register of the Economic and Social

Council and will shortly be accorded class "B" status as auxiliary advisory organizations to which the bodies of the United Nations may apply for advice on technical matters and which may, from time to time, make representations of their own.

Cooperation between International Union of Marine Insurance and International Union of Aviation Insurers was also insured as the two presidents, Carl Briner of Switzerland General and D. Hagmann of Zurich General are both Zurich men.

Carl Briner was with acclamation re-elected president and the retiring member of the executive committee, Harold Jackson of W. H. McGee & Co. was also re-elected.

### Cargo Prevention Committee

Mr. Jackson is chairman of the cargo loss prevention committee which includes R. Bruce Miller. The committee is doing an extremely good service by spreading knowledge in many quarters of what can be done to minimize losses. It developed out of the old theft and pilferage committee. The present committee is having its pamphlets translated into many languages and there is some evidence that its efforts are bearing fruit.

Max Nielsen, managing director of Baltica, is chairman of the prompt presentation of claims committee on which the U. S. is also represented. The report of the committee stresses that the issuance of provisional survey reports is of underwriting importance and that payment on account is practiced in most markets. It recognizes that it is in the interest of both ship-owners and hull underwriters that this system should spread. The report also emphasizes it is important that the practice that reinsurers participate proportionately in payments on account and share in the benefits thereby should be generally observed and notes that underwriters in markets with different practices are in favor of having this altered.

In collision cases underwriters should avoid litigation as much as possible in order to hasten settlement and save costs; this latter can in part be achieved by an exchange of undertakings. It is fully realized that the expense of a full general average adjustment should not be undertaken when the amount involved does not justify the expense and also that claims in foreign currency should be settled as promptly as possible to eliminate as far as practicable the risk of exchange fluctuations.

D. van Weel, manager Hercules Ins. Co. of Rotterdam, is chairman of the inland hull committee, which is of particular interest to the countries bordering the Rhine (Belgium, France, Germany and Switzerland).

The Union itself cannot deal with tariff matters which would preclude U. S. participation and it can, therefore, only take note of the steps taken by markets locally to improve this particular business. For the same reason the Rhine committee presided over by Robert Meier, marine underwriter to La Federale, Zurich, can only act in an informative manner, urging underwriters to recognize the particular perils of the Rhine and the heavy salvage costs involved in case of loss, since salvage craft mostly have to be brought up from Rotterdam. It is suggested on the experience of Swiss underwriters that the greater perils would merit an additional premium of 1 per 1,000 during the summer season and 1.5 per 1,000 in the winter.

Henry Thorn of Ins. Co. of North  
(CONTINUED ON PAGE 12)

## FTC Parley With State Officials Is Harmonious

### Discuss How to Avoid Multiplicity of Investigations

WASHINGTON — More and better cooperation between the federal trade commission and state commissioners in the regulation of insurance in accordance with provisions of the McCarran act, was subject of a conference lasting several hours here last week between National Assn. of Insurance Commissioners liaison committee and FTC officials.

Cited as an example of matters discussed was an effort to eliminate duplication of efforts, and save expense in administration of state and federal laws. In case complaint is made to FTC and to one or more state commissioners, the question was raised, would it not be in the public interest to avoid multiplicity of investigations by securing coordination of efforts between state and federal officials?

### One of a Series

The conference was one of a series of such meetings, two of which were held in 1948 and 1949. The idea of holding the most recent one originated with a member of the liaison committee, according to Edward W. Thomerson, who has charge of insurance matters in the office of the FTC general counsel, although he said it was the result of mutual agreement. It developed out of contacts between FTC and state commissioners on other matters.

In attendance were Chairman Larson, Florida, and the following state commissioners, directors, assistants or other representatives: Bohlinger, New York; Crichton, West Virginia; Day, Illinois; Stone, Nebraska; Rountree, Florida; Lee Kueckelhan, Washington.

Representing FTC were Chairman Mead, who opened the meeting, Thomerson, and officials of various commission bureaus and divisions—investigations, field work, legal, advertising, unfair practices, anti-monopoly, etc.

### Preliminary Stage

FTC officials stated no action was taken at the conference, no decisions arrived at. Nothing definite has been worked out, it was stated, matters being described as still in a "preliminary stage."

Many plans and proposals were submitted and discussed, and "kicked around," it was said, though the meeting was described as "very pleasing" for all concerned.

Officials said considerable headway was made in ironing out things and matters that might cause misunderstandings between federal and state insurance regulators.

It was conceded that better cooperation is necessary between FTC and state commissioners, but the former sources said the mechanics of bringing about the carrying through of such cooperation remained to be worked out.

Mr. Thomerson stated there will be more conferences of FTC people with state officials, but no date for the next one has been set. Meanwhile, no de-

(CONTINUED ON PAGE 12)



## Fire Company Experience for 1950 Prepared by N. Y. Department

Fire insurance experience nationwide for companies licensed in New York state has been compiled by the New York department. The tables show countrywide earned premiums and in-

arrangement of expense groups has been changed to conform with the revised form of insurance expense exhibits. Because of fluctuations in premium volume from year to year, expense ratios

### Stock Companies

Year or Company (Stock Companies)	Countrywide									
	Net Premiums written	Losses incurred to earned	Exp. (adj.)	Net gain exp. to (adj.)	Claim to earned	Comm. to earned	Other to earned	Gen. to earned	Taxes & fees to earned	
1946	\$801,903,265	\$644,288,459	53.3	48.9	-2.2	2.9	26.2	4.1	12.4	3.3
1947	808,243,752	770,738,339	53.6	47.2	-1.8	2.8	23.4	3.8	12.1	3.1
1948	970,183,634	867,012,493	48.3	46.4	5.3	2.8	24.7	3.6	12.0	3.3
1949	1,063,522,910	936,196,726	40.7	45.0	13.5	2.7	24.6	7.0	8.5	3.4
1950	1,075,544,241	970,732,739	40.3	46.6	13.1	2.8	24.5	7.0	8.7	3.6

### Mutual Companies

Year or Company (Mutual Companies)	Countrywide									
	Net Premiums written	Losses incurred to earned	Exp. (adj.)	Net gain exp. to (adj.)	Claim to earned	Comm. to earned	Other to earned	Gen. to earned	Taxes & fees to earned	
1946	\$93,655,642	\$79,726,245	43.0	38.6	18.4	2.1	14.9	4.3	14.7	2.6
1947	103,596,779	92,524,810	41.9	38.0	20.1	2.1	14.5	4.2	14.4	2.8
1948	115,945,150	101,486,099	37.3	37.6	25.1	2.0	13.6	5.2	14.1	2.7
1949	126,703,320	116,185,436	33.2	36.9	29.9	2.3	13.1	9.3	9.1	2.8
1950	138,178,697	124,572,804	31.1	37.2	31.7	2.1	13.7	9.3	9.5	2.6

### Factory Mutuals

Year or Company (Factory Mutuals)	Countrywide									
	Net Premiums written	Losses incurred to earned	Exp. (adj.)	Net gain exp. to (adj.)	Claim to earned	Comm. to earned	Other to earned	Gen. to earned	Taxes & fees to earned	
1946	\$53,167,277	\$44,157,803	18.6	15.1	65.3	.4	—	1.2	12.3	1.2
1947	66,680,946	56,250,944	14.2	14.1	71.7	.4	—	1.1	10.8	1.8
1948	82,658,958	66,050,948	22.1	12.9	65.0	.4	—	1.1	10.4	1.0
1949	72,425,106	70,007,896	8.5	12.9	77.6	.3	.9	2.7	7.9	1.1
1950	71,564,514	70,008,629	22.9	13.6	63.5	.8	.1	3.2	8.4	1.1

### Reciprocal

Year or Company (Reciprocal)	Countrywide									
	Net Premiums written	Losses incurred to earned	Exp. (adj.)	Net gain exp. to (adj.)	Claim to earned	Comm. to earned	Other to earned	Gen. to earned	Taxes & fees to earned	
1946	\$5,910,646	\$5,101,766	37.1	39.8	23.1	1.0	.1	1.0	35.2	2.5
1947	7,314,795	6,103,492	31.5	36.8	31.7	.6	.7	1.0	32.0	2.5
1948	8,168,324	6,726,350	26.8	41.3	31.9	.9	.8	1.0	35.8	2.8
1949	7,392,828	7,132,076	39.6	34.5	25.9	1.0	16.4	6.2	8.2	2.7
1950	6,894,341	6,881,426	42.6	38.3	19.1	2.6	10.6	6.8	11.2	3.1

### Advance Premium Co-operatives

Year or Company (Advance Premium Co-operatives)	Countrywide									
	Net Premiums written	Losses incurred to earned	Exp. (adj.)	Net gain exp. to (adj.)	Claim to earned	Comm. to earned	Other to earned	Gen. to earned	Taxes & fees to earned	
1946	\$3,148,599	\$2,856,951	51.7	41.0	7.3	2.7	13.6	2.2	10.1	1.4
1947	3,432,435	3,169,389	48.2	41.4	10.0	3.0	14.6	2.6	21.6	1.6
1948	3,428,654	3,072,031	43.4	43.4	8.3	2.0	14.6	2.6	21.6	1.6
1949	4,006,969	3,414,944	49.0	41.4	9.6	4.2	14.0	13.7	7.7	1.8
1950	4,206,740	3,867,349	49.2	43.4	7.4	4.4	15.9	12.0	8.8	2.3

### Reinsurance Companies

Year or Company (Reinsurance Companies)	Countrywide									
	Net Premiums written	Losses incurred to earned	Exp. (adj.)	Net gain exp. to (adj.)	Claim to earned	Comm. to earned	Other to earned	Gen. to earned	Taxes & fees to earned	
1946	\$53,702,155	\$43,170,760	62.6	43.7	-6.3	2.1	38.1	.1	2.7	.7
1947	70,679,301	54,715,424	61.5	42.9	-1.4	2.0	39.0	.1	2.2	.6
1948	63,041,676	61,667,398	52.5	43.9	5.6	2.0	39.0	.1	2.2	.6
1949	71,902,842	64,722,050	42.4	47.1	10.5	1.9	41.9	1.5	1.5	.3
1950	76,067,953	69,644,711	42.0	45.0	13.0	1.8	40.6	.7	1.8	.1

(† These ratios show results before consideration of Federal Income Tax.)

current losses on a net premium basis (after reinsurance). For the years 1949 and 1950, the tabulations include figures of both fire and casualty companies writing fire insurance. The columnar

have been adjusted so as to relate certain types of expense to written premiums in order to present more accurate results. Expense ratios do not include federal income taxes.

### STEERING GROUP FILLED

## Maxwell, Seymour, Neumann Named to N.A.I.A. Spots

Robert Maxwell of Texarkana, Ark.; E. J. Seymour of Monroe, La., and Joseph A. Neumann of Jamaica, L. I.,



J. A. Neumann



Robert Maxwell

have been appointed to the executive committee of National Assn. of Insurance agents.

Mr. Maxwell, of F. W. Offenhausser & Co., was president of Arkansas Assn. of Insurance Agents during 1944-46, and is currently state national director of Arkansas. He has been chairman of the N.A.I.A. practices committee, and a member of the speakers bureau and the research and service committees.

Mr. Seymour is state national director of Louisiana and is a past president of the Louisiana association. For several years he has been a member of the steering committee of the National Board of State Directors, and of the finance committee.

## Vermont Agents Reelect Hubbard

Richard C. Hubbard, Middlebury, was reelected president of Vermont Assn. of Insurance Agents at the annual meeting at Basin Harbor. Others returned to office were C. Prescott Hoffman, Brattleboro, vice-president; E. A. Des Rosiers, Cambridge, executive committee chairman; Russell A. Reed, St. Johnsbury, secretary-treasurer, and George W. Buck, Bennington, state national director. Frederick A. Field, Rutland, is the only new executive committee member.

Speakers included John A. North, president Phoenix-Connecticut; Clarence R. Rauter, educational director of N. A. I. A. and Howard A. Allen, Burlington.

Frank Cashman, Crum & Forster special agent, and William J. Hutchins, state agent of America Fore, led a panel discussion on fire insurance; John G. L. Heltzen, Hartford Fire, was in charge of an inland marine panel, and Ray Montgomery, manager of Travelers, and William S. Heaton, manager of American Fidelity, presided at a casualty panel. William N. Woodland, editor of the Standard, was moderator.

The association adopted a new constitution which follows closely the model recommended by N. A. I. A. except for omission of the words "to uphold the principle of capital stock insurance."

Mr. Neumann, president of the Flynn-Neumann agency, is president of New York state association. He has been director of Jamaica Chamber of Commerce and chairman of the producers liaison committee with New York state workmen's compensation board.

## 1950 Fire Experience

### Stock Companies

	Countrywide									
	Net Premiums written	Losses incurred to earned	Exp. (adj.)	Ratio	Net gain exp. to (adj.)	Claim to earned	Comm. to written	Other to earned	Gen. to earned	Taxes & fees to written
Accident & Casualty—	\$244,744	\$244,744	48.5	40.1	11.4	1.7	38.4			
Aetna Ins.	31,994,490	29,073,118	39.5	46.7	13.8	2.6	23.2	6.1	11.3	3.5
Agricultural	6,106,284	5,471,041	38.0	47.8	14.2	2.4	26.8	6.1	9.2	3.3
Albany	834,630	801,225	40.9	45.4	13.7	2.8	12.9	11.2	14.0	4.5
Allegheny Fire	2,991,495	2,646,565	47.9	45.6	6.5	4.3	24.7	5.9	7.4	3.3
Allied Fire	400,791	400,791	40.5	42.2	17.3	3.0	17.0	3.1	14.2	2.9
American Alliance	4,307,286	3,809,231	43.5	42.8	13.7	2.5	23.6	6.2	7.2	3.3
American Auto Fire	42,016	26,717	20.2	55.2	-1.9	10.9	24.7	17.5	37.6	4.8
American Aviation	805,449	687,249	41.7	71.9	-13.6	4.6	34.9	10.4	15.2	6.8
American Drugstore	153,652	152,747	24.2	24.5	51.3	1.3	4.4	2.8	18.0	6.7
American Central	3,484,316	3,255,252	41.8	45.9	12.3	1.8	22.4	7.3	10.1	4.3
American Eagle Fire	7,700,951	7,465,591	40.8	45.2	14.0	2.9	24.0	6.1	7.9	4.0
American Employers	177,703	40,827	31.6	103.6	-35.2	5.6	16.7	32.6	47.4	1.3
American Equitable	11,066,913	10,487,747	47.8	49.3	2.9	4.2	27.0	6.3	8.0	3.8
American Fld. & Cas.	157,500	—	—	—	—	—	—	—	—	—
American & Foreign	3,446,391	3,337,000	41.1	45.5	15.4	2.6	23.5	6.1	8.1	3.2
American Fire	63,087	175,536	41.6	35.1	23.3	5.6	2.8	8.2	6.2	12.3
American Home Fire	743,269	716,696	46.0	50.1	3.9	3.6	25.3	5.7	7.5	8.0
American National Fire	26,333,385	24,464,096	46.0	44.5	14.9	2.7	23.3	7.0	7.9	3.6
American Union	1,149,447	1,094,534	44.3	51.7	4.0	3.2	29.8	10.0	12.2	5.5
Assurance Co.	832,700	537,872	40.3	54.7	—	3.8	28.3	6.1	12.8	3.7
Atlas Assurance	3,460,320	3,230,699	42.9	46.5	10.6	2.9	12.9	11.2	14.0	5.5
Affiliated F. & M.	11,352,360	9,863,162	35.3	46.5	18.1	3.9	19.0	8.7	13.1	3.9
Bakers Lloyds	184,843	78,596	44.4	140.9	-43.2	5.2	22.6	7.2	9.1	4.1
Bakers Lloyds	16,165	15,625	35.5	54.8	9.7	3.1	1.6	35.4	11.6	3.1
Bankers & Shippers	3,037,107	2,777,181	35.3	46.6	18.1	2.9	26.0	4.6	9.0	4.1
Birmingham of Ala.	1,059,915	919,581	34.8	61.9	3.3	3.3	39.9	3.8	10.4	4.5
Birmingham of Pa.	679,945	644,945	46.5	45.5	-0.9	2.6	39.9	7.2	8.3	4.5
Boston Ins.	8,648,814	7,982,100	43.9	45.3	10.8	3.0	23.0	4.0	4.9	4.0
British America	832,162	834,816	30.9	47.2	12.9	2.5	27.6	5.7	7.6	3.8
British & Foreign	1,336,748	1,395,473	40.9	43.7	15.4	2.7	24.5	6.0	7.5	3.0
British General	496,311	464,154	41.1	45.8	13.1	1.8	22.4	7.3	10.1	4.2
Buffalo Ins.	2,885,447	2,722,540	40.3	42.5	10.1	2.4	27.3	5.4	9.7	3.9
Caledonian Amer.	585,061	502,782	44.3	51.2	4.5	3.1	29.0	6.6	7.7	4.0
Caledonian Ins.	2,925,303	2,512,624	44.4	51.6	4.0	3.2	29.0	7.0	7.6	4.8
California Ins.	2,113,940	1,974,922	41.7	45.6	12.7	1.8	22.4	7.2	10.1	4.1
Camden Fire	7,744,172	7,049,724	40.3	42.6	17.1	2.1	27.9	3.0	6.0	3.6
Cathay Ins.	61,966	38,584	45.4	56.7	-21.1	5.2	22.5	7.6	7.3	4.1
Centennial Ins.	2,199,396	1,793,317	38.3	60.3	1.4	4.3	14.2	21.7	15.9	9.1
Central States Fire	—	—	—	—	—	—	—	—	—	—
Central Surety	931	29	—	—	—	—	—	—	—	—
Central Trust of China	62,854	33,812	35.3	59.2	5.5	7	32.1	16.4	7.5	2.5
Century Ins. Ltd.	2,201,686	1,868,155	39.8	56.4	3.8	3.4	35.8	9.5	9.9	3.8
Charter Oak Fire	1,062,647	905,247	39.0	49.1	11.9	2.3	23.8	7.3	12.5	3.2
Church Fire	84,796	90,008	—	—	—	—	—	—	—	—
Citizens Ins. N. J.	659,270	597,432	41.1	44.1	14.8	1.7	24.7	7.3	7.0	3.4
Columbia Assurance	457,854	411,593	38.7	51.6	18.0	1.9	38.8	9.6	1.3	4.4
Columbia Fire, Dayton	1,074,180	991,185	38.7	51.6	9.7	1.9	38.8	9.6	1.3	4.4
Columbia Ins. of N. Y.	1,089,653	1,043,193	42.1	51.7	14.3	2.8	23.2	7.5	7.8	3.7
Commerce Ins.	2,219,482	2,016,262	38.7	46.5	16.8	2.8	25.3	6.1	9.1	3.2
Commercial Union Ass.	6,735,691	6,300,792	41.5	45.7	12.8	1.8	22.6	7.1	10.0	4.2
Commercial Union, N. Y.	1,622,752	1,533,698	41.1	45.4	18.5	1.8	22.1	7.2	10.1	4.2
Commonwealth Ins.	5,982,814	5,673,733	40.9	46.0	11.7	2.9	24.9	6.6	7.7	3.6
Concordia Fire	2,523,750	2,347,594	40.2	46.3	13.5	3.2	24.4	6.0	8.6	4.1
Connecticut Fire	9,910,970	9,921,581	41.3	48.1	10.6	2.4	25.8	7.5	8.8	3.6
Connecticut Ind.	1,765,479	1,654,477	40.6	47.0	12.4	3.5	23.4	5.3	11.1	3.7
Continental Ins.	30,659,941	30,831,945	38.5	52.0	18.5	2.0	23.6	5.7	10.1	4.2
Detroit F. & M.	1,157,036	1,628,846	43.4	45.5	13.9	2.9	24.2	6.2	7.4	3.7
Dubuche F. & M.	1,717,017	1,829,273	40.7	57.0	2.3	4.4	29.2	8.7	10.1	4.6
Eagle Fire	1,144,338	801,348	40.7	58.8	2.5	3.6	19.4	13.9	15.6	4.3
Eire Ins. Co.	457,854	190,882	40.0	70.4	-14.2	4.1	42.2	11.5	10.7	9.9
Empire State Ins.	1,525,371	1,387,769	38.0	73.8	10.4	2.4	35.8	6.1	9.2	3.3
Employers Fire	3,194,652	2,862,102	40.0	50.8	10.7	4.0	24.9	11.2	8.4	3.7
Employers Liab.	302,422	40,536	31.7	158.4	-90.1	6.3	28.2	62.8	88.8	2.3
Equitable F. & M.	1,982,194	1,784,396	41.3	47.8	10.9	3.4	26.5	7.5	8.8	3.3
Eureka-Security	4,385,518	3,846,339	41.3	52.0	6.7	2.9	28.5	7.6	9.1	3.9
Excelsior Ins.	421,257	421,387	43.1	40.3	16.6	4.2	-6.9	17.3	19.3	6.4
Export Ins.	54,208	38,177	—	—	—	—	—	—	—	—
Federal Ins.	4,600,177	3,283,705	46.6	51.0	2.4	4.9	22.8	6.5	13.7	3.1
Fidelity Guaranty	9,851,717	7,711,593	39.4	49.8	10.8	2.8	23.3	12.1	7.8	3.8
Fidelity-Phenix	24,167,684	23,639,921	40.0	42.0	18.0	1.9	24.6	8.4	6.5	3.6
Fire Ass'n. Fire	1,635,054	1,361,285	40.4	48.8	-4.4	4.6	24.6	6.8	8.8	3.3
Fire Ass'n. Fire Fund Ins.	27,776,658	24,375,436	40.4	70.4	-10.8	2.6	40.9	6.8	8.8	3.3
Firemen's of Newark	21,632,150	20,125,578	40.2	46.3	13.5	3.2	24.4	6.0	8.6	4.1
Firemen's of W. & G.	334,422	290,245	39.5	61.3	-8.8	7.8	28.9	15.2	6.8	2.6
First National	3,276,784	2,618,542	28.6	52.2	19.2	2.6	26.3	7.1	11.9	4.3
First National	789,255	715,483	37.8	47.4	14.8	2.6	22.9	7.4	9.4	5.1
Fulton Fire	—	—	—	—	—	—	—	—	—	—
Funders F. & M.	945,251	747,871	36.7	63.8	-5.4	4.3	15.8	25.4	14.1	4.2
General Acc. F. & L.	1,732,366	1,337,878	35.6	33.0	11.4	3.7	27.6	5.2	13.1	3.4
General Ins. Co.	16,514,212	14,590,699	28.2	44.2	27.6	2.2	26.3	4.9	8.2	2.6
Girard & Co.	1,525,700	2,247,182	40.4	48.4	-4.4	4.6	24.6	6.8	8.8	3.3
Golden Falls Ins. Co.	12,077,011	12,525,483	36.8	46.5	10.7	2.8	25.3	6.1	9.1	3.2
Globe Indemnity	3,134,819	1,638,164	40.8	49.3	9.9	2.8	30.8	6.0	8.0	1.7
Globe & Republic	2,822,686	3,141,891	40.7	46.3	12.7	2.7	25.0	6.2	7.9	4.8
Globe & Rutgers	3,079,428	3,448,580	44.4	48.5	7.1	3.4	28.5	5.7	7.9	3.0
Granite State Indemnity	2,183,535	2,183,535	40.4	49.9	22.2	2.7	22.7	11.8	7.7	3.7
Grant American Ins.	26,978,996	26,538,618	42.9	44.1	13.0	2.5	25.0	6.0	7.4	3.2
Great Eastern Fire	79,840	78,645	41.2	46.3	12.5	5.0	6.3	15.4	13.8	5.8
Halifax Ins. Co.	552,696	469,917	41.4	46.6	-13.5	4.6	31.9	13.9	10.7	5.6
Hanover Fire	12,678,198	11,619,266	41.4	46.6	12.2	2.6	26.9	9.9	8.5	3.6
Hawkeye Security	63,949,161	57,850,077	43.7	35.2	17.2	4.7	24.7	7.3	7.0	3.0
Hawkeye Security Ins.	213,886	190,882	35.8	47.4	10.9	4.6	28.3	8.1	6.9	-7.7
Home F. & M.	6,944,164	6,083,859	40.4	45.9	13.7	2.6	24.4	6.8	8.8	3.3
Home Ins. Co.	90,405,625	87,208,396	38.9	46.5	14.6	3.3	22.7	9.0	8.2	3.3
Homeland Ins.	1,496,532	1,336,399	39.5	49.0	5.9	3.3	24.7	7.7	11.1	3.7
Imperial Assur.	1,002,329	824,590	58.2	49.4	12.4	2.4	26.5	8.1	9.5	2.9
Imperial Assur.	1,223,150	1,286,735	42.1	51.8	6.1	6.9	30.3	6.6	13.5	4.5
Indemnity of N. A.	784,554	605,910	52.7	32.0	15.0	1.0	29.0	-1	1.4	5
Industrial Ins.	424,771	922,101	29.2	47.6	13.2	3.8	21.6	4.9	6.0	11.3
Insurance of N. A.	33,672,564	33,672,564	39.7	47.2	13.1	2.4	24.0	8.9	8.8	3.4
Insurance of N. A.	1,392,407	1,392,821	44.6	49.8	5.6	3.3	24.7	7.7	11.1	3.7
Jersey Ins. Co.	2,481,628	2,235,863	44.0	49.9	6.1	5.2	26.7	4.7	9.2	4.1
John Union & Rock	807,111	731,388	38.7	82.9	8.4	3.5	21.9	8.9	13.1	5.5
London Assurance	8,829,201	8,231,501	40.7	43.4	15.9	2.9	22.1	6.1	8.1	3.2
London Assur.	3,773,826	3,330,682	45.4	48.8	5.8	3.3	22.1	9.7	9.3	4.4
Lloyds, N. Y.	94,907	92,825	—	—	—	—	—	—	—	—
London & Lanc. Insurance	3,663,396	3,332,720	39.6	53.3	7.1	3.5	21.4	9.3	12.5	5.6
London & Scottish	329,038	444,416	46.3	53.5	2	3.0	24.1	9.2	13.5	4.7
London & Westminster	1,615,543	1,148,939	40.2	48.2	8.2	3.2	24.1	7.1	9.7	4.7
Ins. F. & M.	1,878,036	1,628,846	43.4	44.0	12.6	2.5	24.7	6.2	7.2	3.4
Mechanics & Traders	1,710,033	1,537,336	38.1	46.0	15.9	2.6	22.9	7.4	9.1	3.6
Mercantile	2,993,064	2,673,351	39.8	49.0	11.2	3.3	24.8	7.7	9.1	4.1
Merch. Fire Assur., N. Y.	1,552,718	1,358,389	35.1	50.6	14.3	3.5	23.5	4.0	7.9	2.7
Merch. Fire Ins.	1,552,718	1,358,389	35.1	50.6	14.3	3.5	23.5	4.0	7.9	2.7
Mechanics & Mfr										



## GET READY NOW

## Warns of Need to Prepare for Future Wind Disasters

A program for preparing the business to meet such disasters as occurred in the northeast last Nov. 25 was outlined at the New England Loss Executives Conference, meeting at Manchester, Vt., in a paper by Prentiss B. Reed, independent adjuster, New York. Mr. Reed was recuperating from a bad cold and could not attend. His paper was scheduled to be read at the conference.

The program consists of year to year increases in loss departments of companies and in adjusting offices, company and independent. Beyond this, however, the business must organize an additional group that can be called into service promptly when needed.

This second group must be created within the business, he thinks, made up of persons in the companies and reputable agencies who have been trained in advance in handling losses.

When the time comes, the business can draft underwriters, engineers, inspectors and others who have any ability to meet and deal with people. Fire and casualty forces must be merged, at least to the extent that casualty investigators shall be available for handling ordinary losses in times of catastrophe. Female employees must be given a similar basic training in handling loss papers.

The need following a catastrophe is for a large group of active men in the field who can look at losses and talk with people. On the great majority of losses veteran talent is not needed, but a great many people are needed who have contact ability and can talk the language of the business. They can dispose of most of the losses they see and can be trusted to turn over to experienced adjusters losses that are beyond their abilities.

## Adjuster Legislation

The business should foster legislation, similar to that in Washington and Kentucky, permitting adjusters from other states to come into catastrophe areas and go to work without the delay of licensing.

Companies in general today are in excellent financial condition. Their acute problems are no longer financial. They took the Perth Amboy disaster and the November windstorm in their stride, money-wise. Their problem now is to organize to cope with disaster situations of the magnitude of last November.

The insurance business was not prepared for what happened last Nov. 25, Mr. Reed indicated. Changes had come upon the business so rapidly in the ten years preceding the great storm, that only a few realized the situation they were facing. Consequently they had not done all that they should have done to adapt the adjusting organizations and methods to demands the storm made

and other disasters will make in the future.

These changes included radical extensions of coverage and liberalizations in policy conditions, construction of a great number of dwellings and other

buildings, millions of television installations, the wide use of composition shingles inadequately nailed and increased claim consciousness.

Adjusting forces will be called upon to go through a similar experience unless something is done to create additional manpower to help bear the burden in time of disaster, he stated in his paper. The business is obligated to provide adequate loss service for the coverage it writes and to refrain from writing what it is not prepared to service. Companies set up adequate financial

reserves against possibilities of cancellations, reinsurance and losses, and promptly increase them with increases in premium income. It should now think of administrative activities required by the continuous increase in the number of losses and provide for adequate loss and adjusting personnel and facilities as carefully as it does for its reserve dollars.

Mr. Reed's paper was an extremely graphic account of the storm and the burden it imposed on the entire business, in particular on adjusting forces.



False alarm... just an unfortunate accident. But before that color press is rolling again, Mr. Printer is open to heavy financial drain through loss of earnings. Unless, of course, he has SPRINKLER LEAKAGE BUSINESS INTERRUPTIONS coverage. Anyone who has seen the amount of water an automatic sprinkler head can discharge is aware of the damage that can be done to equipment, stock and even a building. Even if a prospect has no sprinkler protection, there is the possibility of exposure to damage and a subsequent interruption of business from adjacent systems and their water storage tanks.

Even the most modern sprinkler systems can and do suffer accidental damage—a comprehensive insurance program is incomplete without this type of protection. The sales points of SPRINKLER LEAKAGE BUSINESS INTERRUPTIONS coverage are set forth in the September issue of the FIREMAN'S FUND IDEA INDEX. Mailed monthly to all of our producers, the IDEA INDEX has been so successful in building their business that we are now making it available to any agent or broker, whether or not you do business with us. Mail the coupon today for a copy of the September IDEA INDEX.

## Gleasner Chosen Head of Ill. Producers Council

Lee E. Gleasner, Jr., of the Earl C. Jordan agency of Massachusetts Mutual Life at Chicago was elected chairman of Insurance Producers Council of Illinois at its annual meeting to succeed Robert B. Ayres, local agent at Hinsdale. Willard P. Engelhard of Engelhard & Co., Chicago, was elected vice-chairman. W. W. Krom, assistant manager of the Chicago Board, was re-appointed secretary.

The council consists of representatives of Chicago Board, Illinois Assn. of Insurance Agents and Insurance Brokers Assn. of Illinois. Its purpose is to make recommendations to the producer organizations that will be in the public interest. Mr. Gleasner represents the brokers association and Mr. Engelhard the agents association.

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## Crichton Suggests Shift to Standard Conditions in Fire

Would Solve Problems in Multi-Peril Writing, He Tells Lawyers

NEW YORK—The statutory fire policy, which restored order and certainty to a business once replete with chaos and uncertainty, today is not meeting the needs of the fire insurance business, Commissioner Crichton of West Virginia said at the insurance section of the American Bar Assn. here. M. L. Landis, Central Manufacturers' Mutual, reported on the current status of fire insurance annotations at the session on fire insurance law.

Mr. Crichton thinks the states could adopt statutory conditions, in place of the statutory policy, which would permit the writing of multi-peril coverages in a single form and at the same time retain the values of the standard policy. A change in the concept of the standard policy is needed to bring about this result. It cannot be accomplished by abolishing the standard policy, by individual exceptions to statutory requirement, or by treating a multi-peril policy as being something other than a fire insurance contract.

The statutory conditions could be written in every contract that includes coverage against fire, he said, and around

this a policy composed that insures against many perils. He cited the use of standard conditions in Canada.

There is much to preserve in the statutory fire policy, he said. The 1943 New York form is prescribed or is in use in all but two states. The present day idea of the application of the law prescribing the use of a standard policy is little changed from that in the late 1800s. The policy is construed by the courts in the same manner as any other insurance contract, and it is prescribed for use for all contracts of fire insurance without exception. The consequence of a contract issued in violation of the statute is that it becomes voidable at the option of insured. The courts will not permit an express waiver in the form of an executory agreement to change a provision of the standard policy.

Because of these characteristics the standard policy has been criticized as too rigid, unrealistic, outmoded and an unnatural obstacle to the multi-peril policy.

### Output Policy No Escape

He noted that approval by many state insurance departments of the output policy on the theory that it is an inland marine and not a fire insurance contract may be fanciful construction of the statute. But he does not believe it is the way to escape the requirements of the statutory fire contract. He cited Fireman's Fund vs. Vermes Credit Jewelry where the court held that even though the contract purported to be one of inland marine, so long as it insured against fire it was a fire insurance contract and the terms of the standard policy would apply to the insurance against the perils of fire.

Under present statutory requirements, the effects of multiple line cover are secured by use of riders and endorsements to the standard fire policy. Modern endorsements that effect multi-peril or all-risk cover significantly are limited to insurance against private dwellings,

## Bean, Beebe, Smith on W.U.A. Governing Unit

Harry C. Bean, secretary of Travelers Fire; Philip S. Beebe, associate western manager of Hartford Fire, and Clarke Smith, deputy U. S. manager of Royal-Liverpool, are new members of the governing committee of Western Underwriters Assn. E. R. Voorhis, assistant U. S. manager of Royal-Liverpool, has been appointed to the public relations committee.

he commented. If the business is to go further with multi-line writing, it will be necessary to alter the basic statutory concepts of the standard fire contract.

"We are at a period where the level of performance and public interest of fire insurance companies is on a high plane," he said. "The control of the insurance industry by state supervision has never been complete. There is sufficient protection against the use of unfair policies without the use of a standard policy." However, protection against sharp practices is not the sole or controlling argument in favor of the standard policy. It has served to bring uniformity in coverage, certainty of loss settlement and a clear and well understood contract based upon a wealth of precedent of jurisprudence.

A temporary but incomplete solution to the problem of use of multi-peril policies would be to exclude from the requirements of the statutory standard policy those contracts that are written on a multi-peril basis. This would be all right if they were limited to private dwellings, but the dwelling owner would have to place all his insurance with the company issuing such a policy to avoid nonconcurrency. The need to spread any large risk among insurers doesn't exist in the dwelling class, but this solution is limited to those classes where the individual risk is carried in a single insurer.

For proper use of multi-peril policies treatment of the statutory policy must take into account these essential factors, he said—provisions for combining several coverages within one policy or contract form, the advantage of certainty and clarity of language brought about by use of the standard policy must be preserved, the advantage of judicial precedent of adjudicated cases must be preserved, the requirement of concurrency for large risks spread among several insurers should be regarded, companies should be permitted to bring improvements and liberality to policyholders, and competition by improvements to policy coverage and forms should be encouraged.

### Situation in Canada

The Canadian fire insurance business has used standard conditions since 1876. There statutory conditions may be varied by coinsurance or limitation of liability clauses, if they are brought to insured's attention by red ink notice. Insured is free to use any insuring clause and to limit the property covered in any way, if such limitations are not inconsistent with statutory conditions and are not unfair. There is now effort to modernize the statutory conditions to provide for writing multi-peril policies. One report suggests regulation of the use of language and conditions whenever the peril of fire is insured against, whether in a fire insurance contract or a contract covering several perils.

The Canadian approach seems a reasonable solution to the problem in the U. S., Mr. Crichton said, and could be adopted without too much disturbance. Adequate provision could be made for combining insurance against several perils with the fire. There would be no significant problem of concurrency as respects fire. Benefits of previous jurisprudence could be retained. Advantages of language uniformity presently secured by the statutory policy could be preserved. Multi-peril coverage could be achieved without disturbing the fire cover portion and without the use of "varied endorsements and gymnastics of

## Notice Brings Requests for Cover on Antennas

Cravens, Dargan & Co. in its house organ reproduces an advertisement that is being used by John Adriance & Sons, local agents of Galveston. This is delivered with fire and windstorm policies and reads: "Important notice to owners of radio and television sets. Texas standard fire and windstorm policy does not cover your radio and television antenna unless it is specifically insured. If insurance on an antenna is desired, please call us for further information." The name of the firm then appears. Mr. Adriance says the results have been excellent.

riders and forms" presently required.

Mr. Landis suggested that nothing less than a heroic effort would satisfy the needs of attorneys in connection with the work on annotating the 1943 New York standard fire policy. The 1886 New York policy had been in use in some jurisdictions for 55 years, and the 1918 contract had been in use in other jurisdictions for 22 years before the section's 1941 annotations were published.

The 1943 contract has been in use a mere eight years so that decisions directly construing it are relatively scarce. He noted also that it is not a completely new document but a mere revision of previous forms. Consequently old cases must be reviewed and re-evaluated for inclusion in or exclusion from any authoritative new annotations.

## Turkey Losses Heavy

MINNEAPOLIS—Turkey insurers sat in at a large meeting of feed dealers here to consider their mutual problems. There has been a falling off in financing turkey flocks the past year, a development in which insurers are vitally interested.

Farm Owners Mutual of St. Paul, which covers turkeys on a nation-wide scale, reports that losses this year have been heavier than normal due to heavy rains in some sections, notably parts of the middle west. Utah, Wyoming and Colorado had particularly heavy losses. However, no catastrophe losses have been incurred thus far but a dangerous period lies ahead.

Turkey liability begins going off Oct. 30 and it is likely many extensions will be asked. Farm Owners Mutual will send field men out early in October to inspect shelter protection of insured flocks.

## Detroit Insurance Courses

Five courses in life and general insurance are being offered this fall by the University of Michigan extension service. The Detroit C.L.U. and C.P.C.U. are cooperating.

Classes started Sept. 24.

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## Proposed Reinsurance Catastrophes

WASHINGTON—National Dismemberment Reinsurance Co. is sponsoring a Schoepfel Reinsurance Co. The federal government has been referred to banking group that insurance

Meanwhile, subcommittee hearings on program for insurance.

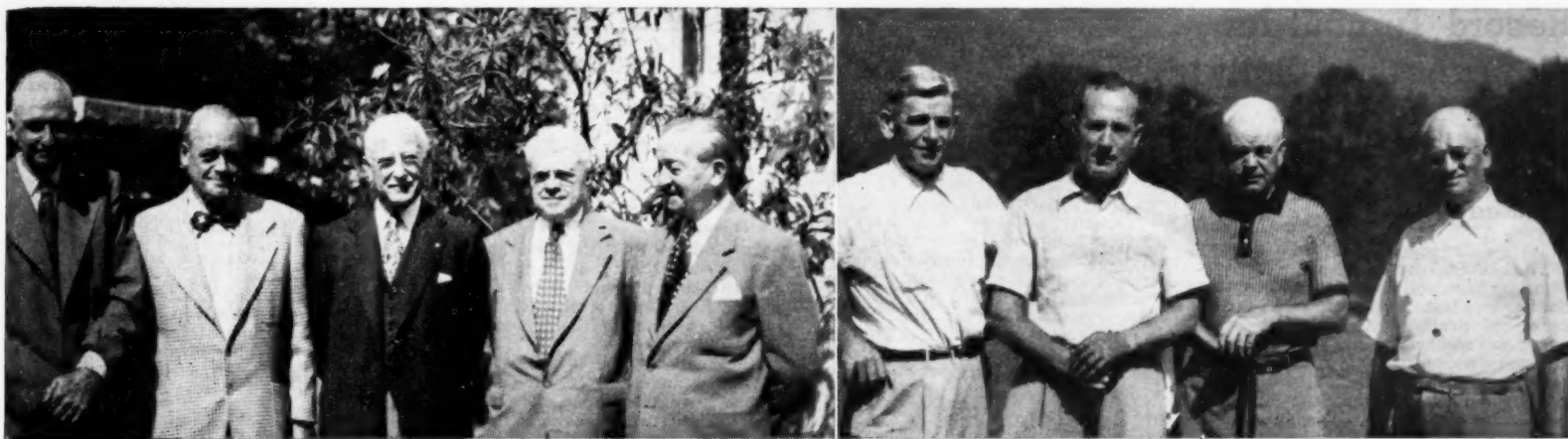
Senator provide a commercial cost insurance National Dismemberment Reinsurance Co. which private they can said the po that disast in the exte fire policies

He said based on insurance with sales agents and regular claim minimum of n lished of n a minimum the senator

## Two N. Dwindling

Empire burg, N. Y. leskill, are under the head office burg office Sterling \$625,812, plus \$271,8 less than t been a shr the past fe deficiencies were \$395, underwrit Empire assets \$528 215, surplus the previou eight year bined exce been a per menced in





Enjoying a respite from the business sessions at the midyear meeting of Western Underwriters Assn. at White Sulphur Springs are, at left, W. S. Whitford, president of Millers National; H. C. Conick, U. S. manager of Royal-Liverpool; J. C. Harding, executive vice-president of Springfield F. & M.; C. H. Smith, vice-president of Hartford Fire, and H. A. Clark, vice-president of Loyalty group. Messrs. Whitford and Clark, both of whom were important factors in the recently-dissolved Western Insurance Bureau, were admitted to membership in W.U.A. at the meeting. The golfing foursome at right includes M. T. Wilson, vice-president of Travelers; P. H. Barr, vice-president of Hanover Fire; Frank Ross, manager of Factory Insurance Assn., and John Rygel, vice-president of Hanover Fire.

## Propose Federal Reinsurer for Catastrophes

WASHINGTON — A \$50 million National Disaster Ins. Corp. for government reinsurance of such catastrophes as earthquake, tidal wave and hurricane and flood has been proposed in a bill sponsored by Senators Carlson and Schoeppel of Kansas, and Kem of Missouri. The capital would be supplied by the federal government. The bill has been referred to the Senate committee on banking and currency, which is the group that is considering war damage insurance legislation.

Meanwhile, a special house appropriation subcommittee has been holding hearings on the administration's program for flood relief and flood insurance.

Senator Carlson said his bill would provide a program of reinsurance for commercial companies for "reasonable cost insurance against property loss." National Disaster Ins. Corp. would re-insure only the portion of the risk above which private companies "do not feel they can safely provide coverage." He said the possibility has been suggested that disaster damage might be included in the extended coverage endorsement of fire policies.

He said that the program must be based on partnership with private insurance and not in direct competition, with sales to be made through local agents and adjustments through the regular claim adjusting organizations. "A minimum claim limit should be established of not less than \$100 or possibly a minimum as high as \$300 or \$500," the senator added.

## Two N. Y. Cooperatives with Dwindling Surpluses Merge

Empire Cooperative Fire of Middleburg, N. Y., and Sterling Fire of Cobleskill, are in process of being merged under the name of Sterling and with head office at Cobleskill. The Middleburg office would serve as a branch.

Sterling Fire at Dec. 31 had assets \$625,812, premium reserve \$283,920, surplus \$271,868, which is about \$10,000 less than the previous year. There has been a shrinkage in surplus funds over the past few years due to underwriting deficiencies. In 1950 the premiums earned were \$395,674, losses incurred \$220,939, underwriting loss \$20,631.

Empire Cooperative at Dec. 31 had assets \$528,353, premium reserve \$265,215, surplus \$100,893 as against \$130,568 the previous year. In each of the last eight years losses and expenses combined exceeded premiums. There has been a period of operating deficits commenced in 1943. At that time the sur-

plus was \$315,000. In 1950 the premiums earned were \$288,963, losses incurred \$208,576, underwriting loss \$45,054.

## A.M.A. Special Seminar Rooms

American Management Assn. has just completed a new management center adjacent to its offices in 330 West 42nd street, New York, and will have a press reception Oct. 2. The center, which consists of a large lounge with serving pantry, an open air terrace and five especially designed seminar rooms, will be used for the A.M.A. workshop

seminars, including those in insurance, personnel and office management, which heretofore have been held in hotels.

More than 2,800 executives from firms over the country have taken part in 145 of these seminars, but some 1,500 others who wished to attend have been unable to do so because they filled so quickly. With the new center more seminars will be held, about 200 in the 1951-52 season.

## Ohio Town Ratings Changed

Ohio Inspection Bureau has announced the following changes in town

ratings: Milford 10 to 9, Rossford 8-9-10 to 6, Mantua 8 to 7, Castalia 10 to 9, Powhatan Point 8 to 7, Lagrange 8½ to 8, New Miami 9 to 8, Newton Falls 7 to 5, Put-in-Bay 8½ to 8, Craig Beach 8½ to 8, Kelley's Island 9 to 8.

## Carl Tyler Hoosier Chief

Carl Tyler of Gary was elected president of Mutual Insurance Agents Assn. of Indiana at the convention at Indianapolis. The retiring president is S. L. Gumberts of Evansville.

**A TRICKLE WON'T TAKE THE PLACE OF A GUSHER...**

...but maybe Jones is expecting too much of his Fire Insurance when he expects REAL MONEY after a disaster such as this:

*"On December 16th my department store was reduced to ashes and rubble, with a stock loss of \$210,000. If I had a limit of \$250,000 under a reporting form policy, and correctly reported \$83,650 as of November 30th, I would collect the total loss of \$210,000. Isn't that right?"*

You decide whether Jones gets \$210,000 or \$83,650.

You can and do decide such "business as usual" or "out of business" questions for your clients every time you write a Fire Insurance policy. And everyone agrees with you that protecting today's larger fluctuating stock inventories with their skyrocketing values is no easy job. If you want to avoid \$126,350 mistakes...and they aren't unusual...just ask the Advertising Department for your copy of the "General Cover True or False."

100th ANNIVERSARY IN THE UNITED STATES—ROYAL INSURANCE COMPANY, LIMITED

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## Record Turnout for N. M. Agents' Rally

### New Albuquerque Branch of Inspection Bureau Gets High Praise

The annual convention of New Mexico Assn. of Insurance Agents at Santa Fe last week drew a record crowd of nearly 200. The association has now reached a size and financial ability to warrant hiring a full-time secretary, and the agents adopted a resolution recommending that the directors hire a qualified person soon as is feasible.

The agents also adopted a resolution praising Mountain States Inspection Bureau for establishing a branch office for New Mexico at Albuquerque. V. C. Moulton is the branch manager. The agents for several years have been urging the bureau to set up a New Mexico branch, and the association has promised full cooperation.

Jack Brandenburg, Taos, was elected president to succeed Fred Dennis of Clovis. Jack Walton, Raton, is vice-president; B. O. Burham, Clovis, secretary, and Paul Sackett, Albuquerque, state national director.

The new directors are Louis Freudenthal, Las Cruces; Irvin Menger, Alamogordo; Jack Daniels, Hobbs; Jack Hester, Albuquerque; Jerry Haggard, Albuquerque; Edward Dunnegan, Carlsbad; Mrs. Alice Walsh, Gallup, and Mr. Dennis.

#### Four Convention Speakers

The convention speakers were Harold Kiefer, manager at Chicago of Century Indemnity; Kenneth Ross, Arkansas City, Kan., a member of the executive committee of the National association; William Houston, U. S. manager of New Zealand, and Ted Winebrenner, Los Angeles manager of American International Underwriters.

Mr. Winebrenner discussed foreign insurance and told the agents how they

could arrange to write business in any foreign country where his company is doing business. He referred to the writing of automobile coverage in Mexico for tourists, and said that the policies written in Mexican companies are quite lengthy and do not always provide what the American owner wants done or thinks is being done.

Mr. Houston mentioned company lines and capacity and said that since the capacity problem of a few years ago, the companies have made larger reinsurance treaty arrangements, and he does not expect the situation ever to be as acute again.

Mr. Ross told what the National association and its committees are doing. There was an agents' panel with Howell Earnest of Santa Fe as moderator. There were 200 at the banquet.

The business meeting was the following morning, and this was followed by a buffet luncheon.

### Institute Annual Oct. 9

Insurance Institute of America will hold its annual meeting at the Hotel Plaza, New York, Oct. 9. At the luncheon awards will be made to prize winning students. Reports will be received from schools and societies where the institute courses are taught. This semester there are 66 graduates of institute courses, the largest number since 1942. Graduates are those who have successfully passed examinations in all courses of one branch of study. The graduating class this year represents 10 states and two Canadian provinces.

### Assemble Texas Laws

The Texas commissioners will have available early in October a volume of insurance laws including the new insurance code, motor vehicle responsibility act, workmen's compensation laws, and the penal code articles relating to insurance. It will contain indices and cross reference tables between the articles of the new code and those of the statutes supplanted by the code.

The price is \$3.15. Orders received by the commissioners with remittance before Nov. 1 will be filled direct from Vernon Law Book Co. of Kansas City, the publisher.

### OLD TIMER'S VIEWS

## Finds Technical Knowledge Slighted

From Gilbert E. Stecher, 62 Hudson Place, Weehawken, N. J., retired veteran field man in New Jersey with whom THE NATIONAL UNDERWRITER has been in correspondence:

It appears that the insurance business is undergoing a change, for they are stressing production and depending on the line sheet for their underwriting instead of training their men in technical analysis.

I remember some 40 years ago, when I trained under F. M. Griswold, chief inspector of the Home, that there was a great thirst for technical knowledge, pertaining to underwriting. I am an instructor at New York University, where I have been for 10 years, and I find that in the industrial field, there is a large demand for the technical information for fire prevention and inspection, and also in the army and navy.

How a special agent, or an underwriter can arrive at a line, subject to one fire, without this technical knowledge is beyond the ken of this old timer, with all of the changes that have taken place in the industrial world.

### See Transition Problems on One-Write Contract

Some awkward transition problems are arising in connection with the introduction of the so-called "one-write" fire policy in some states. For instance, there are complaints that the agents have new forms and don't have new policies. Apparently very few companies have gotten out much in the way of supplies of new policies. At the same time, some of the bureaus have pretty much shut down the supply of old forms and some agents say they have gotten nothing but supplies of new type forms—those which have been set up for use with the new policy—when they order new supplies. The conversion endorsement is supposed to be used under those circumstances. A lot of the agents don't understand how to use it. Some of those who do understand the conversion endorsement still gripe, because they say it means adding one more form and having to do just as much typing and signing, but the paper and printing situation is such that the companies would be glad to see their supply of old policies used up.

### S. C. Creditor Gets Ven Dibs

Common Pleas Judge Brailsford at Charleston, S. C., has entered an order giving Charles R. Allen, Inc., of Charleston full claim on the assets of Rhode Island Ins. Co. that are held in South Carolina to satisfy a judgment of \$6,738 against that company. The South Carolina commissioner is directed to sell enough securities to satisfy this judgment with interest.

The Allen company got a judgment in July of 1950 but the Rhode Island commissioner insisted that the assets held in South Carolina were only to satisfy claims under policies issued to

residents of South Carolina. The Allen judgment resulted from a warrant of attachment issued by the Charleston county common pleas court against proceeds of a policy issued to a Puerto Rican company.

### To Mark Independent Adjusters 10th Milestone

NEW YORK—A dinner marking the tenth anniversary of National Assn. of Independent Insurance Adjusters will be held at the Drug & Chemical Club here Oct. 4. Charles A. Colin, manager of Phoenix of Hartford in New York City, will be the principal speaker. Benjamin Garton, new president, and Edward Riley, new vice-president of the association, both of New York City, will be on hand.

Among the guests will be Superintendent Bohlinger of the New York department, and Deputies George Kline and Walter Brooks; Martin Scott, fire marshal, and Jacob Grumet, fire commissioner, New York City; Charles Black, Royal-Liverpool, chairman New York Board; Bruce Bielaski, assistant general manager National Board; P. M. Winchester, manager eastern department General Adjustment Bureau; Fred Collins, Firemen's of N. J., president Loss Executives Assn.; A. C. Goehrich of the Insurance Society of New York; Abraham Kaplan, George I. Gross and Norman S. Rein, New York City attorneys, and E. C. Niver, vice-president of New York Board. Jack McAndrews of Prentiss Reed & Co., New York, is making arrangements.

### Will Revise Ohio Code

COLUMBUS—It is announced that there will be a special session of the Ohio legislature late this year or early in 1952 to revise, among other acts, the insurance laws of the state. Sections of insurance laws are scattered through several chapters of the general code and it is proposed to bring them together in one place. Insurance men have been asked to be alert that no changes in meaning creep in as the laws are recodified.

### One Write Policy in Kan.

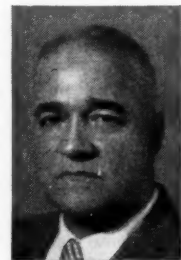
Kansas Inspection Bureau has bulletined agents and companies advising them that the new style "one write" or "open top" fire policy is to be put into use shortly. Instructions were included for use of the new policy and accompanying forms.

Notice was also given of filing of the "debris removal endorsement" in Kansas, and changes were issued to the Kansas farm schedule effective Sept. 24. These included the annual extension renewal plan and the full automatic reinstatement clause, the unearned premium endorsement being withdrawn.

Connecticut Field Club will meet Oct. 1 at Hartford to see the new films on fire prevention.

### At I.A.C. Helm

Herewith is the likeness of W. H. Riley of American Surety, who was elected president of Insurance Advertising Conference at the meeting at Shawnee-on-the-Delaware. THE NATIONAL UNDERWRITER regrets that in last week's edition there was printed a picture that was identified as this particular W. H. Riley which was actually the picture of the Mr. Riley that is president of Great-West Life of Winnipeg. There was enough of a resemblance to cause the editorial error. They both are embellishments to the Riley name.



## F. C. M. New C

### Agents Vice-Pro New H

NEW HAVEN—Moffat... president of Agents... here Tu... succeeds Phil...

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## F. C. Moffat Is New Conn. Chief

### Agents Elect Clarke Vice-President at New Haven Annual

NEW HAVEN, CONN.—F. Chandler Moffat of Westport was elected president of Connecticut Assn. of Insurance Agents at the annual convention here Tuesday and Wednesday. He succeeds Philip Bliss of Middletown.

Other officers are Edgar H. Clarke, Manchester, vice-president; G. Burgess Fisher, III, Hartford, secretary-treasurer, and William W. Hatfield, Bridgeport, state national director. William H. Wiley is executive secretary. Mr. Moffat was in business at New York City several years with his father, Frank Moffat, before he bought out the Hubbell-Morton agency at Bridgeport.

Although insurance is told that it must keep rates reasonable, adequate, and not unfairly discriminatory the natural question in these inflationary days is what constitutes a reasonable rate. J. F. Van Vechten, president of the National association, said in his talk. Rates must be based on average costs, they must be adjusted by experience, and they must be revamped as economic conditions dictate. But, he warned, "we must also take care that we do not price ourselves out of business."

Concern about acquisition costs and commissions is growing, Mr. Van Vechten remarked. He told how a check of costs of operation of his own agency showed a rise of 192.7% from 1941 to 1950.

The dangers of "seeking help from government" and allowing more government participation in the insurance business were stressed by Mr. Van Vechten. He described the "thousand bureaus and committees" of the government as an "octopus with tentacles extending into the remotest corners of our country."

The North Cup which goes each year to the local board with the record of the greatest achievement for the year was awarded to the Greenwich board. Honorable mention went to the Meriden association.

Commissioner Allyn warned the agents that "any attempt to protect your business against competition by building a wall around it" is doomed to failure. In order to meet growing competition agents should make it their business to learn more and more about insurance. "Only continued study, planning and well directed efforts will ward off disaster."

Mr. Bliss in his report said that "Connecticut is probably the first state in the union to require 90 hours study for every agent. It is one of the big achievements of all time for our association. I understand that further changes and modifications in the licensing procedure will be adopted by the commissioner's office so that the professional standing of agents in the state will be raised still further."

The association, Mr. Bliss said, has pioneered a new theory in public relations under which the public is told the "whys and wherefores" of rate increases in advance. It was highly successful and even inspired editorials favorable to the recent increase.

### Sheffe on Unity Fire Board

Unity Fire & General has elected Chris D. Sheffe to its board. Mr. Sheffe retired last year as U. S. manager of London Assurance group.

### Honor New N.Y. C.P.C.U.s

New York chapter of C.P.C.U. honored newly designated C.P.C.U.s in the New York area at a lunch last week. Don Chadwick, chairman of the program committee, announced plans for the designation luncheon scheduled for

Oct. 17 at the Biltmore hotel. The speaker will be Russell Gallagher, insurance manager for Philco Corp.

## Full Program for N.E. Loss Men

The New England Loss Executives Conference at its annual meeting in Manchester, Vt., Sept. 27-28 expected to have a big attendance, many from the New York area and Hartford. Members of the Loss Executives Assn. were invited to attend, and many of them planned to do so.

The program was an extensive one. R. E. Glass, regional supervisor of Western Adjustment at Kansas City and R. M. Ryan, superintendent of the inland marine division there of Western Adjustment, were scheduled to discuss the Kansas and Kansas City floods.

### Others on Schedule

Also on the program are Deputy Commissioner Pingree of Vermont, welcome; F. W. Doremus, manager Eastern Underwriters Assn., additional extended coverage and residence theft endorsement; Donald B. Sherwood, general adjuster of National Board, rules for non-concurrent apportionments and agreements of guiding principles; Prentiss B. Reed, independent adjuster of New York City, catastrophe losses and adjustment problems; Leo Bronson, New Haven adjuster, and chairman of the catastrophe committee of National Assn. of Independent Adjusters, evaluating windstorm and wave wash.

Also, a business interruption forum; K. W. Withers, executive general adjuster of General Adjustment Bureau on the Pacific Coast, application of the contribution clause to service risks; W. H. Davidson, executive general adjuster of G.A.B. in the southeast, expediting expenses against increased cost of operations, and George S. Jones, executive general adjuster in the eastern department of G.A.B., accounting standardization for loss presentation.

## Menard Now President of Big Brooklyn Agency

Pendleton & Pendleton, Brooklyn agency, has elected Albert R. Menard president to succeed the late Frederick S. Pendleton.

Mr. Menard started in 1912 at Macon, Ga., with Penn Mutual Life. Then he got



A. R. MENARD

into the local agency business there. In 1937 he went to New York as assistant director of Business Development Office and became the director in 1939. The next year he went with Pendleton & Pendleton.

### Appeals Labor Board Verdict

DES MOINES—T. Ray Turner of Des Moines has filed suit in federal court here asking Western Adjustment be required to reinstate him as an em-

ployee of the firm. His case was dismissed by the labor board at Kansas City and this is an appeal.

Turner, who served in the armed forces from 1942 to 1948, also asked that Western be ordered to pay him wages which he would have earned had not the company allegedly refused to give him back his job Sept. 15, 1948. Turner's petition said he was employed by Western 24 years before being called to active duty as a reserve officer.

## Midwest Field Men of Home at Excelsior Springs Meet

About 200 attended the midwest regional field meeting of Home at Excelsior Springs, Mo., this week. President Harold V. Smith was in charge. Among others from the home office who attended were Ivan Escott, Kenneth Black, Arthur Hermann, and John Love.

## Markel Service Tieup with James Roosevelt on Coast

RICHMOND—Markel Service has entered into an arrangement with James Roosevelt under which his insurance organization in California will become affiliated with the Markel organization at Los Angeles, San Francisco, Seattle and Portland, Ore. Markel Service offices will be maintained on the west coast but will handle risks written by

the Roosevelt organization. The west coast Markel offices do not operate agencies at the present time.

The connection was effected at a meeting here of Roosevelt with Markel officials. He was accompanied by Thomas Wakeling, a business associate at Los Angeles.

## I.E.A. Getting Assistance in Flood Damage Study

WASHINGTON—Insurance Executives Assn. in its study of flood insurance has engaged an engineering firm to make a survey and report. It also has obtained records from the army corps of engineers, weather bureau and other sources concerning floods, flood damage, rainfall and related matters.

Insurance representatives are much interested in the flood program. While generally they object to government insurance projects, they admit the reinsurance feature of the President's proposal may take some of the curse off them.

## To Hear Safety Expert

Peter C. Jurs, safety equipment expert, will speak at the first fall luncheon meeting of Fire Underwriters Forum of San Francisco, Oct. 3. Art Kindler, president of Society of Insurance Brokers, will be chairman.

## The agent who had

## ALL THE ANSWERS



He was the hard working type—all successful agents are. But having all the answers wasn't enough. Sales that he should have made kept slipping through his fingers. Little annoyances, delays, complications and red tape kept costing him customers.

Pearl American believes that even the highly improbable agent who is 100% informed on all the precedents, trends, statistics, rules, rulings and rates cannot possibly operate at full efficiency without the benefit of company teamwork. Adaptability, promptness, extra effort, fast service by home office and fieldmen increase the commissions even of agents who know all the answers. Why not join the army of agents throughout the country who agree with us?

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## Examiners Hear Story of Kansas City Flood Loss

Probably less than \$10 million of the damage resulting from the flood last July at Kansas City is insured, George Bredberg, Kansas City manager of Western Adjustment, told a meeting of Assn. of Fire Insurance Examiners of Chicago last week that was attended by more than 100. About 30 square miles of industrial area were subjected to from one to 30 feet of flood waters and there were four days and nights of fires along the mercantile district of Southwest boulevard.

The fires, which ruined four square blocks on Southwest boulevard, were caused, Mr. Bredberg said, by the collision of two floating gasoline tanks which burst at the seams and were ignited by sparks. The original theory on the cause of the fire was that a floating gasoline tank met up with a high tension wire, but this has now been discounted. The water in the Southwest boulevard area was about 12 feet deep and came from a back-up in the sewers. This territory is about 1½ miles from the Kansas river and about 10 feet below the river level. The sewers were like artesian wells. Some of the buildings apparently were on fire as many as six times. There was very little current in this vicinity, but the adjusters gathered that the floating gasoline reignited some of the buildings where the fires had stopped.

### Insured Loss \$750,000

The insured fire loss in this district was about \$750,000, and there was approximately the same amount of uninsured loss, Mr. Bredberg said. There were about 50 losses altogether, and for the insured losses the adjusters had the difficult problem of attempting to segregate the flood from the fire damage.

Buildings were not as heavily dam-

aged by flood in this area because of the lack of current. However, the contents were often a total loss.

It was difficult to get the insured to see the distinction between fire and flood damage, Mr. Bredberg said. He mentioned the case of a drug store which had been subjected to rain flash floods in the basement. The owner used the second floor for storage and when the sewers began to back up he put all his goods up there. The fire burned out the second story. On the first floor there was furniture and fixtures and stock worth about \$20,000 and this burned partially. Mr. Bredberg said he expected a good deal of trouble on this loss because of the indefinite distinction between fire and flood, but the insured only asked where he should sign. This was the attitude of most insured; they were overwhelmed by the flood and happy to accept any reasonable settlement.

### Two Lumber Yards Burn

There were two good-sized lumber yard losses. In one case the lumbermen moved all their values to the second and third tiers of the sheds, which protected them from the flood, but this was all burned out by fire. The loss was \$272,000. The other lumber loss was \$170,000.

Mr. Bredberg commented that the values of stock and fixtures are tremendously reduced by flood which is accompanied by fire. What the fire manages to burn is only meager salvage. The stock is practically worthless before the fire ever gets to it.

When the adjusters reported to work the Monday following the floods, they immediately sent out a call for experienced marine men. Nearly every type of inland marine loss is involved at Kansas City. About 1,500 marine losses are expected by Western, Mr. Bredberg said. The biggest will be that to Trans World Airline's modification base, and the insured portion of this, \$3½ million, will represent only about one-third of the total damage.

About \$1 million of the loss is for grain in cars, and this type of loss is a new experience for the adjusters. Mr.

Bredberg said the grain is worth about \$4,500 per car and the salvage will amount to about \$400. Telegrams announcing grain losses were received before the flood reached its crest. Western was informed that a car of grain was probably in the flood, and the organization set up files on any car on which notice had been received. The biggest problem has been in finding the owner, whether he is a farmer, speculator, or a processor.

The railroad yards had about five to six feet of mud throughout after the waters receded. Railroad records were lost and the cars were hard to find. The adjusters walked up and down the tracks looking for cars on which they had reports. In one case they were searching for a load of coconuts and when they opened the car they were greeted with a sea of foam. The job of the adjusters was made obnoxious because 18,000 cattle, horses and hogs died in the flood.

### Unique B.I. Claims

Western is receiving business interruption claims from attorneys who maintain that they suffered a loss of business by reason of the government restriction keeping people from the downtown area. This is considered by these attorneys to have been a fire hazard restriction.

There is a grain elevator claim for business interruption for the same reason.

Another grain elevator is claiming an explosion loss. This grain was in an 8 inch reinforced concrete elevator, but wet grain expands and in some places it burst through the concrete.

This was the first meeting of the examiners for the 1951-52 season, and the attendance is indicative of the increased interest being shown in this organization. Robert H. Hafner, Aetna Fire, the president, read off the names of 30 applicants for membership who were admitted at the meeting.

## Auto Dealers Covered by Cal. Anti-Coercion Law

The bulletin of Commissioner Maloney of California giving his interpretation of the so-called anti-coercion bill that became a law Sept. 22 is attracting the utmost attention. There had been a good deal of speculation that possibly automobile dealers might escape from the restriction of this legislation because the language of the bill deals largely with "coercion" of insurance on the part of those engaged in lending money and in financing, etc. However, Mr. Maloney asserts that the law includes vehicle dealers or other sellers of merchandise through the medium of conditional sales contracts.

The act, Mr. Maloney goes on to say, forbids a requirement that the purchaser or borrower negotiate any insurance through a particular agent or broker as a condition precedent to the finance, loan or sales transaction. The lender, however, has the right to approve or disapprove of the insurer selected and he may enforce any requirement as to the purchase of insurance if the borrower fails to take care of this.

### Reasonable Time

On the question of what constitutes "reasonable time" within which a purchaser must be required to take care of renewal of insurance Mr. Maloney said that the reasonable customs of the business which prevailed before this statute went into effect are applicable. For example, it has been considered reasonable in the past to require that the renewal on a dwelling policy be in the hands of the lending institution 30 days before expiration. The commissioner will view in general unreasonable and harsh conditions as attempts to circumvent the statute.

The lender may recommend a specified insurer or agent but it must be made clear that this is not a condi-

tion to the granting of the loan.

Complaints to the commissioner must be made by a party to the contract of sale, trust deed or loan agreement, and within three months of its execution or modification. The department will not entertain complaints from agents or brokers who are not parties to the transaction nor even from a party to the transaction unless the complaint is made within the three month period.

## Order Entered Freeing Adjusters From Control

WASHINGTON—In its order exempting claims adjusters' services from price control, the office of price stabilization says such adjusters, "regardless of whether they do or do not work upon claims related to insurance as such, are performing services which are quasi-professional in nature. . . . Because they have 'slight effect upon the cost of living,' OPS said, exemption of their services 'is deemed to be appropriate.'"

## Wash. Agents Plan Insurance Aid to Other Trade Groups

Washington Assn. of Insurance Agents is appointing a committee to consider the possibility of developing co-operation with trade and business groups outside the insurance field in disseminating information on insurance.

The idea stemmed from the recent publication of the Washington School Directors Assn. handbook on fire insurance for school districts. It has been suggested that similar cooperation should be sought from professional and business groups such as the accountants and bankers, for example. The information would be forwarded to the respective groups in pamphlet form as coming from the particular association involved.

## Steinsieck Inland Head

Edward C. Steinsieck has joined Penn-Liberty of Philadelphia as inland marine manager. He has been an inland marine underwriter at the head office of North America. He is a graduate of Franklin & Marshall and is an army veteran.

## Beach Texas Marine Special

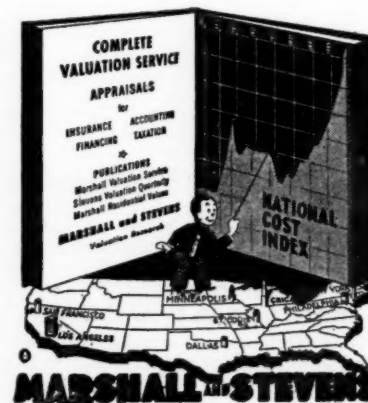
National Union Fire has appointed Joseph B. Beach marine special agent in Texas, associated with State Agents Wright and Allen, with headquarters at Dallas.

Mr. Beach has had both home office and field experience and recently has been with a Texas local agency.

## Farrington Joins Rothfuss

P. A. Farrington has joined the William J. Rothfuss independent adjusting organization of Decatur, Ill.

Mr. Farrington was with Lumbermen's Mutual Casualty for seven years and for three years has been resident adjuster at Decatur.



## Misrepresentation Case Won

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## Misrepresentation Case for \$151,000 Won by Insurers

A jury in U. S. district court for southern Illinois at Springfield Sept. 14 returned in 30 minutes a verdict in favor of eight fire companies in a suit for declaratory judgment filed against Historic Productions, Inc., for the purpose of being relieved from liability in the amount of \$151,000 under policies and binders issued in July, 1949, covering building and contents of the Mormon Arcade at Nauvoo, Ill. The companies maintained that Historic Productions, through Leonard J. Schrader, the treasurer, misrepresented and concealed material facts. This is one of the few cases in recent years in which fire companies have established satisfactorily to a jury the defense of concealment of material facts.

The Clausen, Hirsh & Miller law firm of Chicago represented the companies.

On July 6, 1949, Leonard Schrader, organized a Delaware corporation known as Historic Productions, and the next day, through a brokerage firm in New York, obtained binders from agents of eight companies on building and contents in the amount of \$151,000. On July 15, the building and contents were totally destroyed by fire.

### Eight Companies Bring Suit

The companies bringing suit were Aetna Fire, Caledonian, Equitable F. & M., Home, North America, National Fire, Palatine, and Great American. They charged that Historic Productions, through Schrader, wilfully concealed the fact that the property was occupied only by a theatre and a single apartment and office space occupied by Schrader rather than by a theatre, grocery, restaurant, tavern, food locker, etc., as Schrader purported. Also, he failed to report that the entire second floor of the building and a substantial part of the third floor were in an unfinished condition, and that all work incident to remodeling and finishing had been abandoned. The property was exposed to an unusual and extraordinary peril, the companies claimed, in that Schrader concealed from them that he had sought ways and means of having the building burned. Further, approximately 15 companies which had issued policies on the building and contents in Schrader's name in excess of \$175,000 had canceled their coverage in late 1948 and Schrader had been unable to replace the insurance under his own name in Illinois. During the period of cancellation the property was under guard by persons deputized by the Illinois fire marshal against the possibility of arson.

Schrader also stated that a \$30,000 policy in Hardware Dealers Mutual Fire was in force when he got the insurance in New York, whereas actually the policy had been canceled.

The companies also maintained that Historic Productions had no right, title or insurable interest in and to the property in Nauvoo.

### Bought Building for \$3,500

Evidence at the trial showed that Schrader purchased the Mormon Arcade in 1938 for \$3,500, and claimed that thereafter he put upward of \$150,000 into the building by way of improvements. In 1948 he advertised the property under a blind ad in a Peoria paper, offering the cocktail lounge and a locker plant for sale for \$10,000, balance monthly, with no total price quoted. At that time he had insurance on the building and contents, including business interruption, aggregating \$190,000. He sold the building to Thomas and Nellie Kilpatrick for \$175,000. Kilpatrick paid only \$7,000 down.

Evidence was shown that Schrader had operated the cocktail lounge at a loss and that the locker plant had never been in operation. Kilpatrick testified that Schrader told him on more than one occasion when Kilpatrick complain-

ed about the misrepresentation that "If worse comes to worse he could always burn the place down." Schrader admitted that he had made these remarks, but said he was only joking.

A barman who worked for Schrader testified at the trial that Schrader "propositioned" him to burn the Arcade, suggesting that he buy the building, pay \$2,000 down and make a \$10,000 profit. All the bartender would have to do was "turn on the gas jet and set a match to it."

The evidence also showed that Schrader was in a desperate financial situation. The income from the property at the time of the fire was only \$105 a month and premiums on the insurance which had been obtained aggregated about \$6,600.

Schrader went to Delaware July 6, 1949, and organized Historic Productions. He then went to New York and contacted a brokerage firm, stating that a stranger in the Edison hotel had recommended the firm as being reliable. Schrader took with him an appraisal on the property he had obtained from Kuhn & Co. of Chicago, a brochure of testimonial letters, all of which were written in 1942 and 1943, and photographs of the interior and exterior of the building, which showed that it was occupied by a tavern, movie theatre, gift shop and restaurant. All of these tenants actually had vacated except the theatre.

### Mum On Cancellation

Schrader did not tell the brokers that 15 companies which had issued policies in excess of \$175,000 had canceled their coverage the previous year, nor did he tell them about the guard deputized by the fire marshal, or that he had been unable to obtain insurance in Illinois.

There was a policy in the West Bend Mutual in the amount of \$22,000 having been obtained by the mortgagee named in the mortgage clause attached to the policy. He also had a policy for \$8,000 in American Alliance.

He showed a policy receipt with Hardware Dealers Mutual Fire for \$30,000, but a notice of cancellation on this had been mailed to Schrader June 7 specifying that unless the next installment premium was paid the policy would be canceled as of July 1.

The brokers obtained binders on the building for \$107,000 and on the contents for \$48,000.

Schrader returned to Nauvoo and told the local paper that the building had been sold to Historic Productions. On July 12 he received a letter from his brokers saying that a request had been received from the companies to reduce the coverage on the building from \$107,000 to \$15,000 and on contents from \$48,000 to \$4,000. The brokers said they were taking steps to replace the canceled coverage and would attempt to have it completed before liability under the original binders would expire. This letter was received by Schrader in the late afternoon of July 14 and at about four in the morning of July 15 the building burned to the ground.

### Hogan to Constitution Life

Frank Hogan, for 12 years an examiner of the California department, has resigned to become vice-president and actuary of Constitution Life of Los Angeles.

He went to the California post from Iowa and was one of the senior members of the staff.

### Pure Oil Advances Tucker

William R. Tucker, Jr., has been advanced to assistant manager of the insurance department of Pure Oil Co., with headquarters at Chicago. He has been in the insurance department 10 years and has been a special assistant for five years. He spent four years in the army air corps.

### Seeks Catastrophe Cover

HARRISBURG—Legislation to enable Pennsylvania to buy catastrophe

insurance against fire or other casualties causing losses of \$500,000 or more has been introduced in the house with the backing of Gov. Fine.

A spokesman for the governor said he feels the protection is necessary, particularly in view of the recent Lansing fire which caused heavy damage to the Michigan state office building.

At present Pennsylvania is a self-insurer so far as state property is concerned, except for boiler coverage.

## Public Actuaries Meet at Chicago

Conference of Actuaries in Public Practice at its annual meeting at Chicago reelected all officers. They are Harry S. Tressel, president; Edward D. Brown, vice-president; Harley N. Bruce, secretary; Donald F. Campbell, treasurer, all of Chicago; and Joseph Froggett, Los Angeles, editor.

Speakers were Alex O. Benz, president of Aid Assn. for Lutherans; John P. Stock, president of Maccabees and president of National Fraternal Congress, and Harry Wilson, vice-president of American United.

## Confer on Disposition of Pioneer Equitable Funds

LOS ANGELES — Commissioner Viehmann of Indiana, who was at Los Angeles for the convention of National Assn. of Life Underwriters took occasion to hold conferences with Commissioner Maloney of California on the status of Rhode Island-Pioneer Equitable affairs, especially as to the impounded funds of Pioneer Equitable in the hands of Mr. Viehmann.

While nothing definite is known, it is understood the conferences were centered on California's claim for a portion of the funds in order to pay California insured the amount of their losses.

## Northwestern National Will Be Nonaffiliated

MILWAUKEE — Charles D. James, president of Northwestern National, said that with the dissolution of Western Insurance Bureau, of which the company was a member, Northwestern National will undoubtedly remain unaffiliated and continue independent operations without change in policies and procedure. According to present plans, the company does not contemplate joining W.U.A.

## New D.C. Rule Book

WASHINGTON—D. C. Rating Bureau has published a new rule book, handbook or manual for use by agents and companies in the fire, windstorm and extended coverage field. The volume, prepared with cooperation of a special committee of D. C. Assn. of Insurance Agents, brings the publication up to date. The preceding edition, dated 1925 has been added to through the years, loose-leaf fashion.

## Jacoby Kansas Actuary

Robert E. Jacoby, assistant actuary of the Illinois department, will become actuary of the Kansas department in charge of life companies effective Oct. 2. He was formerly with the actuarial department of Illinois Bankers Life.

He replaces Robert D. Pierce, who is going with Victory Life of Topeka as actuary.

## Extra Boost for Institute

Southern 1752 Club at its meeting in Raleigh, N. C., voted to defer its fall clinics until February so as to offer more support to the mutual fire and casualty institute scheduled for Charlotte, N. C., Nov. 12-14. The meeting was attended by about 35 field men with S. A. Stewart, Shelby Mutual Casualty, the president, in charge.

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## Georgia Officers



New officers of Fire Insurance Fieldmen's Club of Georgia: L. J. Saye, Home, vice-president; Wm. G. Stephens, Jr., Stephens General Agency, Atlanta, president; and Carl Fisher, National Fire, treasurer. E. C. Clarke, Jr., New Hampshire, secretary, is not in the picture.

## Kan. Fire Underwriters, Fire Prevention Assn. Meet

The fall meeting of Kansas Fire Underwriters Assn. at Topeka was attended by 70 members, being one of the largest in recent years. Ralph Simmons, representative of Airmark Midwest Sales Co., Kansas City, gave an address and demonstration of its service.

L. A. Magill, assistant manager of Kansas Inspection Bureau, explained the new rule changes that had just been mailed out. H. O. McIntosh, chairman of the conference committee, reported for that committee and Byron R. Ward, chairman of the executive committee, presented a report.

Kansas Fire Prevention Assn. also held a well attended meeting at Topeka. Talks were made by Clyde Latchem, state fire marshal, and W. C. Hodges, manager Kansas Inspection Bureau, relative to Fire Prevention Week activities. Dean Snapp and Harlin Martin, St. Paul, reported on assignments of field men to affiliated towns and non-affiliated towns. Charles Blakely, representing the fire prevention committee of Topeka Chamber of Commerce, and A. H. Kenna, executive secretary of Kansas Assn. of Insurance Agents, were guests.

## Zimmerman Retiring, Name Longley in Illinois Post

Crum & Forster has appointed Kenneth A. Longley associate state agent with John P. Crawford in northern Illinois with headquarters in Elgin. He succeeded V. L. Zimmerman who has been granted a disability retirement pension. Mr. Longley started his insurance career with Sun at Chicago and later was with Security of New Haven. After service in the air force, he was appointed special agent in Illinois for Security and later transferred to Minneapolis as state agent supervising Minnesota and part of North Dakota.

Mr. Zimmerman is retiring after having undergone a series of eye operations. He has been with Crum & Forster for 25 years. He is planning to make his home in New Mexico or Arizona.

## New Officers for Alamo Pond

The resignation of Raymond H. Williams, supervisor of Alamo Blue Goose, San Antonio, required a complete change in the lineup except for the most loyal gander, S. A. Dunn, past most loyal gander, installed these officers: W. E. Atkins, Bennett & Atkins

agency, supervisor; Allan Barwise, General Adjustment Bureau, custodian; George E. McKinney, T. A. Manning & Sons, guardian; Harry Hauke, Great American, keeper, and L. C. Picnot, Picnot Adjustment Co., welder.

The pond voted to hold its October meeting at Austin with the Austin puddle. The question of selecting a permanent welder was discussed, and a committee was appointed to study the problem.

## Mutual Companies

	Countrywide									
	Net Premiums written	Losses incurred to earned	Exp. (adj.)	N-1 gain exp. to earned	Claim paid to earned	Comm. to earned	Expenses Other to earned	Analysis Gen. exp. to earned	Taxes & fees to earned	
Abington Mutual	\$513,090	\$429,868	30.6	31.9	37.3	2.2	15.5	3.1	8.7	2.4
Allied American Mut. Fire	461,429	456,014	30.6	32.2	37.2	4.0	5.8	15.7	9.3	2.4
American Mut. Liab.	144,772	132,331	32.5	35.8	8.7		58.4		4	
Atlantic Mut. Ins.	1,904,318	1,542,672	31.6	53.7	14.7	3.0	30.4	7.7	11.0	1.6
Badger Mut. Fire	1,235,270	1,065,100	35.2	33.3	11.5	3.8	15.2	11.2	18.1	5.0
Berkshire Mut. Fire	1,149,781	952,549	28.3	29.0	32.7	1.4	13.3	5.4	11.3	2.6
Cambridge Mut. Fire	434,475	312,334	30.3	37.2	32.5	1.8	21.7	3.8	6.8	3.1
Central Mfgs. Mut. Ins.	6,819,627	5,772,429	29.7	41.8	28.5	1.9	22.3	5.8	9.3	2.5
Cosmopolitan Mut. Casualty	38,211	22,252	20.8	51.5	27.7	1.5	50.0			
Cosmopolitan Mut. Fire	52,905	42,969	26.6	62.0	21.4	3.2	14.7	14.6	43.8	5.1
Dorchester Mut. Fire	384,720	329,737	34.8	41.3	22.9	5.6	10.5	8.6	13.0	8.4
Employers Mut. Fire	966,844	706,542	33.4	47.2	19.4	2.0	3.0	25.2	13.9	3.1
Federated Mut. Implem.	7,468,193	7,396,625	32.1	36.9	31.0	1.5	8.0	15.9	9.7	1.8
Farm Bureau Mut. Fire	2,472,478	1,738,116	33.4	74.6	—8.0	5.9	4.3	29.7	31.6	3.1
Farmers Alliance Ins.	1,277,349	1,130,927	31.2	42.2	26.6	2.9	26.1	4.3	6.5	2.2
Farmers Fire Ins.	1,503,186	1,269,915	49.5	51.9	—1.4	2.4	22.7	32.7	5.3	1.4
Federal Mut. Fire	844,291	742,988	30.6	40.5	28.9	2.3	18.7	4.6	12.3	2.6
Fitchburg Mut. Fire	371,843	330,781	19.3	43.1	37.6	3.5	10.9	4.3	20.7	3.7
Florida Nat. Assn.	76,987	63,737	30.1	67.2	2.7	1.2	49.2	9.6	6.5	7.7
Grain Dealers National	7,037,058	6,324,398	30.4	34.4	35.0	1.7	12.7	6.2	11.1	2.7
Hardware Dealers Mut. F.	8,299,773	7,720,156	24.5	31.7	42.8	1.0	3	18.1	9.5	2.8
Hardware Mut. Ins. of M.	6,019,033	6,041,309	28.3	35.0	36.7	1.8	—	20.7	10.1	2.6
Hingham Mut. Fire	466,116	403,768	21.3	33.9	44.8	1.6	12.9	8.0	8.4	2.1
Holyoke Mut. Fire	1,249,333	1,105,374	29.4	44.8	25.8	2.2	19.0	2.2	17.7	3.7
Indiana Lumbermen's Mut.	5,212,568	4,716,491	32.1	35.0	32.9	2.4	14.9	5.1	9.5	2.4
Liberity Mut. Fire	7,854,344	7,161,995	33.3	32.4	34.3	2.5	3.6	15.0	8.9	2.4
Liberty Mut. Ins.	1,139,038	991,895	45.3	30.9	23.8	2.3	5.7	14.6	7.0	1.3
Lumber Mut. Fire	2,098,381	1,873,051	34.9	39.5	34.6	1.9	8.6	10.0	6.2	3.8
Lumbermen's Mut. Cas.	67,317									
Lumbermen's Mut. Ins.	4,395,520	3,885,795	31.0	36.8	32.2	1.7	20.9	3.4	8.4	2.4
Lynn Mut. Fire	361,994	327,340	21.7	36.5	35.8	2.2	23.1	3.5	8.2	2.4
Merchants & Busin. Men's	1,039,289	929,804	28.4	—70.1	141.7	2.2	136.2	46.7	12.5	4.7
Merrimack Mut. Fire	2,502,952	2,436,559	30.3	37.6	32.1	1.8	22.1	3.8	6.8	3.1
Michigan Mut. Fire	5,816,257	5,174,453	29.8	37.9	32.3	2.3	23.2	4.1	6.4	1.9
Michigan Mut. Liab.	132,613	78,784	22.8	41.6	35.6	9	40.7			
Middlesex Mut. Fire	1,457,575	1,309,338	34.7	39.4	35.9	2.2	23.1	3.5	8.2	2.4
Millers Mutual, Illinois	3,201,441	2,539,525	25.3	29.6	43.1	1.6	11.9	8.5	5.4	2.0
Millers Mut. Harrisburg	1,252,334	1,178,020	23.7	24.6	51.7	1.4	5.8	4.2	9.4	3.8
Millers Mutual, Texas	1,720,761	1,483,667	25.9	39.5	34.6	2.5	15.1	9.0	10.5	2.4
Millers Nat. Ins.	3,515,335	3,485,966	36.2	44.6	19.2	2.4	21.9	7.8	9.1	3.4
Mill Owners Mut. Fire	2,918,965	2,629,289	30.6	36.9	32.5	1.8	20.1	4.9	7.2	2.9
Mutual Boller & Machy	66,262	65,453								
National Grange Mut. Liab.	107,341	24,221	48.0	53.8	—1.8	—	6	50.0	1.1	2
Northwestern Mut. Fire	12,099,594	11,510,655	30.8	43.1	26.1	2.4	24.1	5.6	8.4	2.6
Ohio Farmers Ins.	3,976,303	3,457,600	39.6	55.2	3.2	3.5	30.9	6.4	11.4	3.0
Oregon Mutual Fire	2,590,275	2,105,915	33.3	40.8	25.9	3.0	11.7	8.9	14.2	3.0
Pawtucket Mutual Fire	1,335,014	1,136,548	31.5	35.0	35.5	2.1	17.8	4.0	8.2	2.9
Penn. Lumbermen's Mut.	4,592,040	4,186,025	28.9	29.2	41.9	1.7	6.3	8.5	9.8	2.9
Penn. Mut. Fire	2,557,820	2,418,955	28.7	32.3	39.0	1.5	19.8	2.4	6.5	2.1
Quincy Mut. Fire	2,514,592	2,211,868	27.1	31.6	41.3	1.9	16.5	3.1	7.4	2.7
Security Mut. Cas., Chi.	8,713	935								
Suffolk County Mut. F.	41,601	28,327	21.8	50.2	23.0	3.1	11.0	30.5	2.9	2.7
Traders & Mechanics	1,154,619	912,857	42.1	39.3	27.6	2.2	9.5	3.9	9.9	4.8
Union Mutual Fire	742,126	669,658	32.4	19.3	45.3	4.1	—27.5	25.3	12.4	3.0
Western Millers Mutual	1,046,929	1,032,320	33.2	40.6	33.2	2.7	18.4	14.4	1.6	3.5
Worcester Mutual Fire	1,778,272	1,691,310	34.6	34.1	31.3	2.6	17.7	4.6	7.2	2.0
Workmen's Mutual Fire	150,853	117,338	31.5	63.5	4.9	8.1	—	3.1	47.5	4.9
Reciprocal										
Affiliated Underwriters	\$855,836	\$864,636	75.4	36.7	—12.1	5.2	6.1	5.9	15.0	4.5
Amer. Exch. Underwriters	385,250	352,450	35.2	49.0	19.7	3.2	—4	13.8	23.7	4.7
Cannex Exchange	2,695,317	2,446,802	32.5	32.3	30.4	—	23.4	—	1.1	2.5
Fireproof/Sprinkled Und.	133,378	145,241	35.1	45.1	19.8	2.4	—1.5	14.8	23.6	5.8
Individual Underwriters	502,110	545,108	35.1	44.1	20.8	2.6	—1.5	14.8	23.5	4.7
Metropolitan Inter-Ins.	301,318	326,107	35.2	44.3	20.5	2.6	—1.5	14.8	23.6	4.8
N. Y. Reciprocal Underw.	435,190	470,855	35.2	44.1	20.7	2.4	—1.5	14.8	23.6	4.8
Subscribers at Recip. Exh.	649,717	631,741	40.6	36.9	20.4	2.7	15.9	12.3	2.5	2.5
Underwriters Exchange	126,550	136,243	13.3	43.9	42.8	1.5	3.0	15.6	21.3	2.5
Warner Recip. Insurers	883,585	879,643	41.6	39.1	19.3	1.6	30.7	1.0	3.3	2.5
Factory Mutuals										
Arkwright Mut. Fire	\$6,571,982	\$6,308,782	20.3	12.5	67.2	—	—	3.4	7.5	8
Blackstone Mut. Fire	7,094,028	7,012,228	22.7	14.0	63.3	—	—	5.0	7.3	1.1
Boston Mfrs. Mut. Fire	12,098,926	12,138,425	21.6	14.2	64.2	—	—	1.2	11.3	1.0
Cotton & Woolen Mfrs. M.	4,752,914	4,571,677	22.8	14.4	62.8	—	—	1.7	10.6	1.2
Firemen's Mut. Ins.	10,809,117	10,326,296	27.2	13.8	59.9	1.0	—	2.2	9.2	1.1
Manufacturers Mut. Fire	20,785,461	20,085,284	22.5	14.4	64.8	—	—	1.0	17.9	1.4
Philadelphia Mfrs. Mut.	2,670,514	2,525,660	21.4	12.2	66.4	—	—	4.9	5.1	1.4
Protection Mut. Fire	3,615,490	3,427,058	25.5	14.0	60.5	1.0	1.2	2.9	7.7	1.2
What Cheer Mut. Fire	3,247,782	3,255,219	25.2	14.2	60.6	—	—	5.1	6.9	1.4
Advance Premium Co-operatives										
Canton Cooperative Fire	\$125,026	\$110,260	56.6	47.5	—4.1	7.1	11.4	22.3	5.6	1.1
Cooperat. Fire of Catskill	247,906	218,472	49.0	47.5	3.5	3.1	23.0	13.7	7.2	0.5
Dwelling Ins. Ass'n	113,954	106,607	48.6	39.2	12.2	3.0	22.2	8.6	5.1	5.3
Empire Co-operative Fire	106,352	221,626	61.1	44.1	—13.2	10.7	1.0	17.9	12.9	1.8
Home Mut. Fire, Broome	361,238	329,093	47.8	38.0	14.2	4.3	2.9	7.5	17.5	5.8
Livingston Co. Mut. Fire	29,246	38,731	62.0	49.4	18.6	1.1	20.9	—	7.1	3
N. Y. Central Mut. Fire	319,045	262,748	48.3	46.5	5.2	5.5	8.7	15.8	10.8	5.7
Oliver Cooperative Fire	208,676	181,512	57.2	40.6	2.2	4.6	19.0	7.7	8.8	5
Onondaga Cooperative Fire	29,960	68,409	52.5	34.4	12.4	2.0	10.3	7.9	12.2	
Oswego Mut. Fire	245,588	202,510	55.5	35.8	5.7	4.7	18.1	11.8	2.3	9
Pioneer Cooperative Fire	325,163	481,070	47.5	41.7	15.4	1.9	20.7	5.6	11.7	1.8
Preferred Mut. Fire	838,859	640,614	36.2	41.9	21.9	3.5	19.9	11.4	4.5	2.3
Security Mut. Fire	140,812	127,778	56.8	49.5	—4.3	8.9	14.2	14.6	11.2	2
Sterling Mut. Fire	148,926	166,584	55.4	39.2	8.4	5	19.8	8.1	8.2	2.6
Tompkins Cooperat. Fire	150,728	146,443	50.2	61.4	—11.6	5.8	9.9	29.8	14.9	1.0
Utica Fire of Onondaga	334,601	304,665	50.4	41.7	7.9	3.7	20.0	13.4	2.6	2.0
West Seneca Mut. Fire	5,595	4,248	4.2	61.7	34.1	5	27.1	—	33.7	4
Woodstock Mut. Fire	89,735	107,014	63.7	29.7	6.8	4.0	13.0	8.3	1.8	1.4
Wyoming Valley Fire	137,105	129,570	48.9	45.3	5.8	2.0	17.8	13.2	7.1	5.2
Reinsurance Companies										
American Reins. Co.	\$794,683	\$418,467	35.9	55.9	8.2	2.2	45.7	4.6	3.3	1.1
American Reins. Co.	5,223,743	4,338,441	39.4	47.7	12.9	1.7	42.1	2.3	14.4	2
Christiana Reins. Co.	2,463,827	2,247,274	37.7	47.8	14.5	2.3	42.5	—	2.9	1
Construction Reins.	1,689,503	1,457,944	38.1	48.5	15.4	1.5	42.0	—	2.6	1.3
Copenhagen Reins.	813,496	732,091	44.1	52.5	3.4	2.9	49.4	—	1.1	1.1
Eagle Fire Ins. of N. J.	341,131	294,440	42.7	47.1	10.2	2.6	26.2	1.7	4.1	2.5
Employers Reins.	850,789	1,199,469	36.5	56.7	6.8	1.6	50.8	3.0	1.2	1
Excess Ins. of America	1,053,535	557,209	49.1	51.3	—	4	3.3	40.2	3.1	4.1
Firemen's Union & Ins.	1,072,651	1,025,272	44.5	43.3	32.2	2.9	29.7	—	2	1.3
General Security Assur.	3,853,497	3,482,662	42.2	50.5	7.0	2.7	41.3	—1.1	7.5	1
Hudson Ins.	388,650	462,820	42.2	46.4	11.0	2.0	41.3	—	3.1	—
International	1,192,059	998,446	48.1	41.9	7.0	2.4	28.0	—	3.9	6
Inter-Ocean Reins.	3,958,681	3,274,063	31.2	47.9	20.9	1.2	42.0	2.4	2.0	1.1
La. Fairsville Mut. Fire	812,508	722,545	44.4	46.2	9.6	2.7	39.7	—	2.3	1.3
Metropolitan Fire Assur.	2,212,016	2,254,776	44.8	43.6	11.6	2.7	38.1	—	2.7	1
National Reins.	822,526	932,582	38.6	32.0	29.4	1.5	25.4	1.8	4.4	—1.1
N. A. Fire & Marine Reins.	889,555	1,062,767	43.7	42.8	13.5	1.6	40.4	—	7	—
Northwestern of Hartford	734,172	3,263,427	42.1	47.4	10.5	1.1	39.7	—	7	2.5
North Star Reins.	7,433,215	7,433,215	42.4	40.6	12					



## COMPANIES

### Home's Six Months Premiums at Record \$93 Million

Premiums of Home during the first half of 1951 increased substantially over the corresponding period of last year, according to the company's interim report to stockholders. Net premiums written through June 30 were the largest for any first six months in history, amounting to \$93,056,003, an increase of 15% over the comparable 1950 period. Net earned income was \$6,790,013, after all charges, compared with \$9,794,335 in 1950. The November, 1950, windstorm developed 146,677 claims to the company involving \$14,456,333 in losses.

#### Net Profit Increases

Net profit from sale or redemption of securities during the first six months was \$6,065,583 compared with \$364,717 in 1950, while net income from dividends, interest and rents was \$5,086,163 compared with \$4,698,923. Due substantially to the additional claims paid this year for damage in the November windstorm, underwriting operations during the first six months resulted in a loss of \$4,359,909 compared with a profit of \$8,676,316 in 1950.

Home's loss ratio during the first six months on an incurred to earned basis was 60.3%.

Total assets on June 30 were \$357,312,958; surplus as regards stockholders amounted to \$141,125,378.

### London & Lancashire Changes Made

Following the death of C. A. Tillotson, assistant secretary of the fire companies in the London & Lancashire group and director of Orient, the following new appointments are announced: E. S. Mather, treasurer, has been elected a director of Orient.

F. J. Vennstrom, assistant general adjuster, has been appointed assistant secretary of all the fire companies, with supervision over the eastern states.

A. Howard Spargo, hitherto special agent in eastern Pennsylvania, has been appointed general adjuster at the home office to work in cooperation with General Adjuster Twaddle.

B. N. Carvalho, Jr., at present special agent for Maryland and the District of Columbia, will assume Mr. Spargo's duties as special agent for eastern Pennsylvania, with headquarters at Philadelphia.

James E. Farrell has been appointed agency superintendent as deputy to Mr. Vennstrom.

### Raise Birmingham Fire, Ala., Capital to \$2½ Million

Capital of Birmingham Fire of Alabama has been increased from \$1 million to \$2½ million, the number of \$10 shares being increased from 100,000 to 250,000.

### R. L. Inglis Joins Founders

Ralph L. Inglis has been elected executive vice-president of Founders of Los Angeles. He started in 1928 with Associated Indemnity at San Francisco and resigned as vice-president in charge of casualty operations of Pacific Indemnity at the home office to take this new post.

Robert E. McNeill, Jr., president of Hanover Bank of New York City, has been elected a director of Fidelity & Casualty and Niagara Fire of America Fore.

## MARINE

### Problem of Inland Marine Adjuster Told by Mortimer

Because inland marine insurance covers insured's liability to others, or both, and property of others, the inland marine adjuster must carefully scrutinize the policy before he starts his investigation, William Mortimer, New York City adjuster, said at the insurance section meeting of American Bar Assn. in New York. He must know whether he is employed to investigate and adjust, or is merely to investigate and report to insurer. Many problems developed upon investigation will be of an involved legal nature which must be referred to the insurer or its attorney.

One very troublesome problem confronting adjusters at present is the extent to which an air carrier must respond for certain types of losses, he noted. Whereas rail and motor carriers are subject to federal law and regulation by ICC, the same cannot be said of air carriers, freight forwarders who arrange air cargo transportation, and the land carriers who haul the cargo before and after the air trip.

Several years ago recommendations were made to Congress as to the liability to be assumed by air carriers as to passengers and property but they have not yet been enacted into law. There is no certainty that air carriers are to assume the liability of common carriers and, in many instances, there is doubt if some are common carriers. In some states where wholly intrastate traffic is involved, such carriers have enjoyed the benefits of certain marine rules, under which it is necessary for the claimant to prove that the ship was unworthy, or negligently operated as a condition precedent to recovery on air fire or crash losses.

Under bailee insurance losses, complaints by insurance departments have been minimized by the agreements of guiding principles, which provide that uninsured interests will get first bite out of the fund provided by the inland marine policy. This is a commendable correction but the adjuster is still faced with one difficulty, the frequent inadequacy of insurance carried by the bailee.

Another problem is the difficulty of securing claims from all interests, which is necessary where there is insufficient insurance. Some people are very dilatory in filing claims and where the bailee has a \$5,000 policy, and it is obvious that the claims will run well over \$10,000, it is extremely difficult to make an adjustment until all claims and the grand total are known. This is a typical case where the adjuster must rely on counsel to enable him to protect the interests of all concerned particularly as to the method of payment.

Hugh A. Mullins of New York discussed general average at the marine law session.

### Freight Forwarders Must Get Broker License in N. Y.

Attorney General Goldstein of New York has reiterated a ruling that foreign freight forwarders must have an insurance broker's license when they procure insurance for shippers of goods as part of their service. In an earlier ruling, he had held that forwarders were acting as insurance brokers and were required to obtain insurance brokers' licenses.

The forwarders had asked the attorney general to withdraw his opinion.

### Examples of Marine Going to Unauthorized Insurers

NEW YORK — Apparently a considerable amount of business in New York Harbor and on Long Island Sound is being placed by certain brokers in un-

authorized insurers, principally London, on such risks as yachts and other pleasure craft, fishing vessels and harbor tugs and other port risks.

This is a matter on which the New York department will hold a hearing Oct. 3. These types of risk cannot be insured in nonadmitted carriers unless the provisions of the excess lines law are met. It is the department's belief that most of it can be placed in the American market.

One kind of business that apparently is going to London is protection and indemnity on charter fishing boats such as the Pelican, a 45 foot craft which sank on Labor Day off Montauk Point, L. I., with a large loss of lives. It had on board more than 55. Crafts of this size are not subject to coast guard safety rules. It is also suggested that fishing fleets which are not particularly desired by the American market are sweetened by placement with them of other marine business, such as yachts, in order to make it palatable.

Several months ago, according to some of the yacht underwriters, they felt the competition on yachts of this placement in unauthorized insurers. The latter write 15% off the going rate at the start or give 20% off for no losses, but this competition has declined. At least one company not entered in New York is writing 15% off if the owner of the small craft is a member of the coast guard auxiliary.

Some brokers may believe it is permissible to place ocean marine in unauthorized companies. However, this placement is limited to vessels in transportation of goods and merchandise in either foreign commercial or coastwise trades.

### Open Des Moines Office

Appleton & Cox have opened a new branch office at Des Moines, Frank E. Outwater has been assigned to the office as special agent and will service Iowa and Nebraska.

### New Chairman of Bar Group Insurance Setup

F. J. Marryott, the new chairman of the insurance law section of American Bar Assn., is general counsel of Liberty Mutual.



F. J. Marryott

He is a native of Jamesburg, N. J., and graduated at Rutgers. He taught at New Jersey law school and has been with Liberty Mutual since 1931. He has been general counsel since 1948. He is a former chairman of the home office counsel committee of International Assn. of Insurance Counsel and he is a former chairman of the committee on regulation of insurance companies of the A.B.A. insurance section. He is currently representing American Mutual Alliance on the industry committee dealing with the war damage problem.

### Gorski Joins McGee & Co.

Daniel F. Gorski has joined William H. McGee & Co. at the Columbus, O., branch where John C. Schuler is manager. He has been in the business 26 years, mostly with North America and Fireman's Fund.

Otis Shaver has been elected actuary of Farm Bureau Mutual Fire of Columbus. He joined the company in 1945 and has been manager of the fire premium department.

FRED T. ROHLER, local agent at Niagara Falls, N. Y., for 31 years, died there.

JAMES J. REAGAN, 41, former Louisville local agent and for the past year with Girdler Corp., died there.

GEORGE ROUBAUD, 65, member of the reinsurance department of William H. McGee & Co., New York, died at Montclair, N. J.

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### OF INSURANCE COMPANIES

## Voice of U. S. Leaders Heard at Maritime Union Meeting

(CONTINUED FROM PAGE 1)

America is chairman of the committee on the standard form of survey report which is continuing to find a form which will embody the best features of existing reports. The question of bankers' clauses remains on the agenda and steps are being taken to acquaint bankers and their customers in the various countries with the matter to avoid the demand for absurd and rigid conditions of insurance, often not applying at all to the insured object. Work is going on to prepare translations of clauses so that underwriters and assured alike can see at a glance what this or that particular phrase means in their own language.

There is nothing fresh to report on the subject of war risks which means that the waterborne only war risks agreement with a 15 days' transshipment clause as amended last year at the Eastbourne conference still stands. Apparently there has been no change as regards the 48 hour cancellation clause which in some countries, notably in England, remains replaced by a seven day cancellation clause. H. Helmsdorfer, manager Helvetia General, reported on the recovery from carriers and on a thorough bill of lading, but as other international organizations are involved, little progress has been made yet and it is still thought in many quarters that the carriers' responsibility is insufficient.

Outside the agenda St. J. Macrymichalos, Prodros Greek Ins. Co., and a past chairman of the association of marine insurance companies operating in Greece, raised the question of discrimination against Greek vessels. He claimed that over 62% of the present Greek fleet is now under 10 years of age. The total fleet under Greek flag, ownership or management amounted at the end of the

first quarter of 1951 to over 1,000 vessels of 6 million tons capacity, which makes this fleet the third largest in the world. (The figures include ships registered under Panama's flag.) It is suggested that such a fleet merits being treated on equal terms with other fleets and that the practice of charging additional premiums for Greek vessels already gradually being discontinued, should be abandoned. The matter was referred to the joint cargo committee in London.

Mr. Torrey read the following statement:

"The United States delegate wishes to reiterate, for the information of delegates who were not present at the meeting of Sept. 18, 1947, that the laws and public policy of the United States make it impossible for American underwriters individually, or through any association, to enter into any agreements or understandings on matters affecting rates or conditions of insurance. Agreements or understandings on other matters may likewise be impossible depending on the circumstances in each case. Accordingly, while it is the desire of the American Institute of Marine Underwriters to cooperate as far as possible in marine insurance matters of general worldwide interest, members of the International Union of Marine Insurance are requested to note the qualified membership under which the United States has to be guided."

## A. E. Burgener Takes Over as Utah Assn. President

(CONTINUED FROM PAGE 1)

records for three years, as required by law. Others do not keep their premiums in a fiduciary account, he said. He asked for the cooperation of all agents and companies to help police themselves and to ferret out the agent who, to the detriment of the business, flaunts the law. The conference system used

of late by agents and companies in settling problems was especially commended by the commissioner.

Ernest Cragin of the Cragin & Pike agency at Las Vegas, Nev., in his talk recommended that there be a commission differential between recording and non-recording agents, and also a recognition of the agent who is both a service and an insurance counselor, as compared to the ordinary "premium-chaser." As a possible solution to the present poor experience in auto insurance, Mr. Cragin recommended that auto insurers return to the former practice of presenting awards to safe drivers. Praising the special agent as having an important place in every successful local agent's business, he mentioned that unfortunately they are taken advantage of in many ways by the local agents they service.

## Explains New Forms

John H. Martin, manager of Standard Forms Bureau, San Francisco, explained the additional extended coverage endorsement and commented on other new terms and factors in insurance forms and contracts. Frank C. Colridge, general manager of the Pacific Board, asked the agents to weigh the equities of the "quick dollar" vs. the "service and counselor" role. The latter, he said, is a growing division among agents today. Percy P. Lynch, secretary of Great American, San Francisco, spoke on the additional extended coverage endorsement. William F. Edwards, Brigham Young University, was the luncheon speaker, and Ernest R. Rosse, Philadelphia, the banquet speaker. The luncheon was sponsored by Inland Empire of Idaho and United Pacific was host at a cocktail party. Tomato juice was provided between sessions by Home.

Mr. Callister, who is serving a second term as chairman of the Far West Agents Conference, was honored at the banquet by local boards for his outstanding contribution to the American agency system. He was presented a movie camera and attachments. At the N.A.I.A. Chicago convention Mr. Callister received the president's citation for achievement and service. Mr. Callister presented a trophy to the executive committee to be awarded each year to the local board contributing the most in service to insurance.

Representatives of the Pacific Board and the contact committee of the Utah association met with the executive committee immediately before the convention to discuss a number of subjects, including rating surveys, depreciation insurance, and limitation and inconsistency in forms.

## FTC Parley With State Officials Is Harmonious

(CONTINUED FROM PAGE 1)

tailed information was available from FTC.

In connection with the recent conference, it has been learned that not all FTC members knew about it until it was over. Commission members who are particularly interested in insurance matters as related to FTC jurisdiction are understood to have served notice that they wish to be advised in advance of future conferences between FTC and state officials, so that they can attend.

After investigation of certain marine insurance angles for many months, FTC officials express doubt the commission can do anything about it.

## Questions to Answer

What is interstate? Where to begin? Where to leave off? These are among principal problems confronting FTC and the commissioners in endeavoring to work out a cooperative program of insurance regulatory action under the McCarran act and state regulatory laws.

To avoid duplication of effort, sentiment in FTC and among state officials favors such cooperation, but the commission and the N.A.I.C. liaison committee representing all N.A.I.C. zones have not yet agreed upon a program.

If complaint is made against a company or practice to both FTC and the state commissioner, both sides say investigation should not be duplicated. Theoretically, this result could be obtained if FTC and the states recognize the dividing line between their respective jurisdictions. But they reportedly have not agreed upon the same.

Meanwhile, a report of the FTC field investigation of ocean marine has reached here and is being processed by the commission staff.

## Service, Knowledge Bulwarks of Agency System: Allyn

Continuance of the American agency system cannot depend entirely upon the enactment of laws, but must rely on the service agents render the buyers, Commissioner W. Ellery Allyn declared in his address at the annual meeting of Connecticut Assn. of Insurance Agents at New Haven this week. He said he has always been greatly interested in agents' qualification laws, and gave a report on the change in the Connecticut law that became effective in February of this year.

The first comprehensive licensing examinations were given in June, and the results were discouraging, the commissioner said. "Apparently very few applicants had received any greater training than was required under the old examinations, and the number failing to obtain a passing mark sharply increased. We had difficulty convincing some of those in charge of training that we meant what we had said about our four comprehensive examinations." Mr. Allyn added that he is holding his ground. Other states are showing interest in the Connecticut results, and this, he said, is a good indication of a national trend that "the era of free and easy appointments of insurance salesmen is on the way out, and so is the agent who has no greater interest in the insurance business than to sell an occasional policy for the sole purpose of obtaining a commission. In the normal course of developments, particularly the tremendous increase in the demand for complete insurance protection, that type of agent will be eliminated by the insurance buyers themselves; since he renders no service worthy of his hire."

## Can't Build China Wall

The insurance business is changing rapidly, Mr. Allyn noted. It is apparent that with the continuance of the national trend toward improved agent qualification requirements, the old-time agent will be faced with stiffer competition in the marketing and servicing of new coverages that are demanded and available today. Any attempt to protect business against competition by building a wall around it will be as ineffective as was the historical wall around China.

Mr. Allyn said he can see nothing but disaster in the future of any self-satisfied agent who is content to do things the way they have always been done.

A typically newly licensed agent in Connecticut, Mr. Allyn said, is 33 years old and before taking up insurance divided his time about equally between being a salesman and a student. He will devote 80% of his time to insurance, 11% to real estate, and 9% to other pursuits. Only one-fifth of the new agents ever had any previous insurance experience.

## 230 at Hammond Outing

Some 230 attended the outing of Hammond, Ind., Insurance Agents Assn. at Woodmar Country Club, and 135 played golf. Winner of the low gross was S. L. Bassett. General chairman was Allan F. O'Rourke. New officers were installed at the dinner, they including Dwight Pearce, president, and Reed Giese, vice-president.

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discussion  
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## CHICAGO

### ADJUSTERS TO HEAR JONES

A. B. Jones, manager of Cook County Loss Adjustment Bureau, will lead a discussion on "Betterments and Improvements" at the Oct. 4 meeting of Adjusters Assn. of Chicago.

### COLVILLE IN POLICY HOLDERS UNION

Ralph E. Colville has joined Policy Holders Union of Chicago as a partner. Mr. Colville has been insurance manager for U. S. Gypsum and Montgomery Ward, and consultant for other industrial organizations. During the war he was an insurance consultant to the war department.

### START CHICAGO BOARD CLASSES

Chicago Board is again conducting courses in fire, marine and casualty insurance. Classes will be held from 11 to 12 noon in the board auditorium in the Insurance Exchange building. The fire division will start Oct. 23, the marine section Oct. 24 and the casualty section Oct. 25. Classes will meet once a week until June. Enrollment blanks are obtainable at the Chicago Board office. There is no charge to board members or their employees but a \$10 charge per course will be made to non-members.

The classes take the form of discussion sessions with most of the preparation being done outside. The faculty is composed of leading Chicago insurance men.

### GIMBEL TO CHICAGO AGENCY

Edward Gimbel, formerly A. & H. supervisor for Continental Casualty, has joined the Stewart-Keator-Kessberger & Lederer agency at Chicago. He will be in charge of A. & H. sales promotion and will assist brokers in handling all A. & H. lines.

### BOEHNER ADDRESSES BUYERS

Some of the current problems in adjusting property losses were reviewed at a meeting at Chicago of Midwest Insurance Buyers Assn. by J. F. Boehner, Cook County manager of Western Adjustment.

It is important, Mr. Boehner said, to have the owner, or owners if there is more than one, designated as the assured. Special care must be taken with builders risks, he cautioned. In the case of improvements and betterments many problems can be avoided if there is complete understanding about the provisions of the lease. Mr. Boehner remarked, adding that each individual situation must be analyzed and settled definitely since there is no generally accepted way of determining who is to insure.

Mr. Boehner also mentioned as troublesome failure to report proper values under a reporting form, relying on old appraisals, misunderstanding as to liability for property of others, and inadequate limits under U. & O. policies.

### Finance Squabble in Court

HARTFORD—Universal C. I. T. Credit Corp. of Providence, has brought suit in federal court against Auto Owners Finance Co. and Resolute Ins. Co., both of Hartford, charging unfair competition.

According to the complaint, Auto Owners distributed to automobile dealers in Rhode Island a pamphlet similar to one used by Universal, Louis Morganstern of West Hartford, is described as president of Auto Owners and owner of Resolute.

## N.A.I.C. Sounds Out Companies on Idea of \$100 Bulletin

The headquarters office of National Assn. of Insurance Commissioners at Chicago has been circularizing companies on their reaction to the idea of subscribing \$100 a year to a bulletin service. This apparently would cover various meetings of the commissioners and keep the companies posted on what the officials are doing in an organized way. This request is being studied by the companies individually and by organizations. One aspect that some of the companies desire to investigate is whether the entire \$100 would be consumed in the reporting service or whether a substantial portion might go to defray the expenses of the head-

quarters office. If the latter were true, some fear that the companies might be liable to criticism for subsidizing a governmental office. It can't be said, however, that a negative opinion has crystallized.

### Pa. Premium Tax Revision Bill Virtually Killed

HARRISBURG, PA.—The 2% insurance premium tax bill, passed by the Pennsylvania house last week to apply to domestic stock and mutual companies of all types, was virtually killed by the senate finance committee last night.

In culling the house-approved program the tax committee of the senate selected a number of proposals to raise additional budget-balancing funds, but didn't take up the controversial premium tax.

The bill would have made the pre-

mium tax on domestic companies 2%, the same rate out-of-state stock companies now pay, but would have given them credit for other corporate taxes paid.

At present domestic fire and casualty and marine companies pay an 8 mill premium tax. Domestic life companies have no such levy for business written within the state; neither do all types of mutuals.

### Industry Salute for Head of N.A.I.C. at Topeka Oct. 5

Frank Sullivan of Kansas, who is president of National Assn. of Insurance Commissioners, is to be feted at a reception and dinner at Topeka, Oct. 5. This will be for the "insurance industry."

The name of Guardian Mutual Fire of Philadelphia has been shortened to simply Guardian Mutual Ins. Co.

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## EDITORIAL COMMENT

### Suggestions for Agents' Programs

As a frequent member of the audience at agents' meetings there are a couple of thoughts that occurred to us about speeches. It is late in the year to pass these along, since most fall speeches have now been written, and it is doubtful if next year's headlines will remember them, assuming they read this.

One idea is to avoid detailed, routine analyses of contracts that have been out as long as a year. By and large, agents interested in the cover already are familiar with this kind of material in this length of time, and no matter how good it is, half an hour or so of it stultifies the listeners.

Much study and talk must be devoted to new policies or substantial revisions in old contracts. But after a year, such reviews contribute practically nothing unless the speaker can pick out some special idea which has proved its merit in attracting business. When the speaker delivers real sales ideas that grow out of the coverage, agents prick up their ears and lean forward. Often a dandy example of this kind will result from a question from the audience or from the experience of someone in the audience. Lengthy discourses on the presumably well known features of the policy, however, discourages spontaneous interchange between speaker and audience. It is often profitable to leave some time for questions and answers yet frequently the time—and audience—is more than exhausted by formal presentations.

These technical talks at times sound as though the speaker were refreshing

his own mind as to the understanding of the basic facts, rather than refreshing the audience with a new application to an insurance need or a new use of well understood information.

The other suggestion is that some of the time saved from technical analyses be devoted to treatment of more general topics by agents themselves. We happen to think that there are a good many agents over the country, who, if placed on a program to do so, could do interesting and much needed thinking at the philosophical-economic level. In this category might come such subjects as professional versus business services an agent renders, what is and what should be the relationship of agents and companies, what legislative and what educational progress has been made in raising the standards of agency performance, etc.

One of the things needed in establishing a higher reputation with the public and imposition of a better standard of service on all agents is a firm philosophy. One place on the program of the important annual meetings of agents, state and national, could be an effective means of getting such a philosophy formed and articulated. There should not be too little on the technical analysis side and there should not be too much on the side of general economic philosophy, but a slightly better division would improve the quality of programs and tend to get expressed the things that agents really believe but seldom express or hear expressed.

### Problems Are Interlaced

The fire business seems to be of two minds about the limited theft endorsement. Most fire companies have qualified to write burglary so that they can use the endorsement, and have furnished supplies including the endorsement to agents.

It is at this point that uncertainty arises. No one seems to be certain that the fire policy including the theft endorsement will do well, say as well as the extended coverage in its early stages. To date the volume of policies that include the endorsement going through audit bureaus is relatively minor. Will agents sell it? Or what is more important, do they want to sell it to the householder of fairly modest means who does not have the residence burglary and outside theft contract?

Many in the fire business are using

the limited theft endorsement as a protective measure strictly, they are going to push it only when it seems wise to do so in order to shield their dwelling business from competition. In other words, they would just as soon the thing hadn't come out, but now that it is here they recognize its competitive merit.

The future of the endorsement may rest almost entirely upon agents. If they find they can sell it readily and without too much expense to householders who previously did not carry any theft insurance, the endorsement might catch on and do very well. Since the agents constitute the sales force of the business, that is probably the way it ought to be.

There has been some discussion among agents about using a combination of extended coverage, A.E.C. and

the limited theft endorsement for a family in the modest income brackets. Then for families with more possessions and more income, and with children, some of whom are away at school, the agent might recommend E.C., A.E.C., residence-burglary and outside theft, and a fur and jewelry floater. This leaves the personal property floater for the well-to-do, where it is the most easily sold anyway, according to these agents.

National Bureau of Casualty Under-

writers prepared the endorsement and rates it. The bureau discovered there are some substantial differences in term rules and installment payment of premiums between fire and casualty—the existence of a five-year policy as well as a three year, differences in term discounts, etc. This experience points up what some believe to be the rather immediate need of coordinating the basic technicalities of term rule and installment payment as multiple peril underwriting expands.

## PERSONAL SIDE OF THE BUSINESS

**E. S. Purcell**, assistant western manager in charge of the loss department of Hartford Fire, has returned from a vacation that centered largely around the Delmarva Peninsula.

**A. A. Morey**, vice-president of Marsh & McLennan at Chicago, has returned from a two-week trip by air to Venezuela and Colombia. He flew a total of 10,000 miles and got a close look at the pipelines and other installations that are under construction there by Williams Bros. that are insured by M. & M.

**J. C. Rathmann**, who until recently was head of the New York office of Rollins, Burdick, Hunter and prior to that was in the Chicago headquarters of that agency, has now become connected with Hunt Foods, Inc., at Fullerton, Cal. Among other things he is establishing an insurance library for this company.

**Charles T. Nichols**, western Kansas state agent of Springfield F. & M., who has been under treatment at the Mayo clinic, Rochester, Minn., for the past month, underwent a second major operation there last week.

**Jonathan Earl Horsley, Jr.**, of the Horsley Insurance Agency, Miami, who is better known in insurance and civic circles as Jack Horsley, Jr., made it legal to call himself "Jack" on the ballot when he runs for the city commission. Twenty-four hours before filing for the commission, Mr. Horsley filed an emergency petition in court, asking for permission to change his name, and the order was signed immediately.

**Standish Hall**, Wichita local agent and Kansas civil defense director, was elected president of National Assn. of Civil Defense Directors at a convention at Chicago.

**James B. Donovan** of Watters, Cowen & Donovan has been named chairman of the committee on insurance law of Assn. of the Bar of the City of New York.

**Delano Lawson** of the R. B. Jones agency of Chicago and the son of E. D. Lawson, vice-president and western manager of Fireman's Fund group, was married last Saturday to Miss Patricia Nicol of Chicago. The couple are honeymooning on the Pacific Coast.

**Ray Murphy**, general counsel of Assn. of Casualty & Surety Companies and past national commander of the American Legion, will present the Legion's distinguished service medal to Gen.

Charles P. Summerall at the Legion's national convention at Miami Oct. 17. Mr. Murphy was active in the organization of the American Legion and was elected national commander in 1935. He is a member of the Legion's national executive committee.

**Tom Hites**, Wisconsin state agent of Boston, was at Minocqua making an agency visit, and he took off an hour to try his luck at fishing. The lake is just one block from the agent's office. Word came to the agent that Mr. Hites had hooked a large muskie and was having a hard time landing the fish, and wanted help. The agent grabbed a large landing hook and together with several men rushed to the lake shore just to see Mr. Hites land his fish, which turned out to be an 11-inch pickerel.

**Rand M. Hill**, manager of General Adjustment Bureau, Denver, is in the hospital suffering from an attack of coronary thrombosis. Reports on his condition are favorable. **Arthur Miller**, Denver agent, had a similar attack recently, but is now reported on the way to recovery.

**Robert I. Catlin**, vice-president of Aetna Casualty, has been appointed to a second term as chairman of the Connecticut state highway safety commission.

**William W. Barrett** of Kansas City, Mo., who is Kansas general agent for the Meserole companies, is confined to St. Luke's hospital at Kansas City for observation due to an attack of illness.

**John A. Naghten**, president of the John Naghten & Co. agency at Chicago, is completing recovery from an emergency appendectomy at his farm near Watford, Wis. Mr. Naghten expects to be back at the office in about a week.

**Joseph G. Hubbell**, associate manager of National Inspection Co. of Chicago, has gone to Allenhurst, N. J., with Mrs. Hubbell to visit their newest grandchild, the son of their daughter, Mrs. M. S. Winder, Jr. This is the Hubbells' ninth grandchild.

**John Stafford**, retired western manager of Sun, visited Chicago last week to take part in an initiation of the Evanston lodge of Elks. Mr. Stafford, who makes his home at Lake Wales, Fla., holds card No. 1 in the Evanston lodge, and was the first most exalted ruler.

## THE NATIONAL UNDERWRITER

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**CLYDE** Spokane General predecessor Adjuster been gen 1946 an ager at C Mont. F and was

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## DEATHS

**CLYDE C. OAKES**, who died at Spokane at the age of 67, had been with General Adjustment Bureau and its predecessor organization, Pacific Coast Adjustment Bureau, since 1922. He had been general adjuster at Spokane since 1946 and prior to that had been manager at Great Falls, and then at Butte, Mont. He was born at Indianola, Ia., and was an architect in his earlier days.

**WILLARD M. THOMAS**, 67, a partner in the Thomas & Scheiman agency, Fort Wayne, Ind., died there after a short illness. He was a past president of Fort Wayne Assn. of Insurance Agents.

**WILLIAM G. BUTLER**, 52, Dayton, O., manager of Washington National, died suddenly of a heart ailment.

**EDGAR E. PARKER**, 55, north central Illinois state agent for National Fire, was drowned last week when the boat in which he was riding in the Illinois river was hit by a barge near Hinman, Ill. Mr. Parker had been boating with Elmer Peine, who is with the Wilson General Agency of LaSalle, Ill., and Mrs. Peine. Mrs. Peine was drowned, and Mr. Peine was rescued by bargemen.

Mr. Parker had been working with Mr. Peine, and in the evening they decided to go out in Mr. Peine's 14-foot boat which is propelled by an outboard motor. They got Mrs. Peine to join them. The shaft broke after they had gone up river a way, and since it was getting too dark to make repairs, they started back. They were hit by the barge on the return.

Mr. Parker had been in the insurance business since 1916, starting with a local agency at Peoria. Then for three years he was special agent in Illinois for Hanover, and in 1924 he went with Detroit F. & M. as an Illinois special agent. He joined National Fire in 1930 as special agent and four years later was made state agent. He served on the executive committee of Illinois Fire Underwriters Assn. in 1924 and he was a life member of Fire Underwriters Assn. of the Northwest.

**W. T. MERRELL**, who died recently at St. Louis, had been with Home in the Missouri territory, working in the farm field, from 1913 on. He was retired on pension in 1946. A son, Thomas Merrell, is special agent at Denver for Home.

**WILLIAM H. EMHARDT**, retired president of Germantown Fire, died at his home in the Germantown section of Philadelphia. He was 75. He joined the company in 1895 and was elected president in 1911.

**WILBUR N. WRIGHT**, 85, who organized Federal Auto of Wisconsin in 1908 and was president until his retirement in 1937 when the company was taken over by the James F. Kemper interests, died at Layton Home at Milwaukee hospital after an extended illness.

**B. PALMER KEATING, JR.**, retired superintendent of the public official and depository division of Aetna Casualty, died at his home at West Hartford after a long illness. He retired in 1948 after 30 years with the Aetna. He started with the company as acting manager at Scranton, Pa.

**IRA J. WICKENS**, 63, broker with the W. A. Alexander & Co. agency at Chicago, died in St. Luke's hospital there. He had been in the business for a number of years and served as insurance manager for Jewel Tea Co. at Barrington, Ill., Utilities Power & Light Corp. at Chicago and Vulture Aircraft Corp. at Downey, Cal. He had been with the Alexander agency since the end of the war. A son, James I. Wickens, is an account executive with the Alexander agency.

**DAVID S. BROMLEY**, head of General Insurance agency, Clarksburg, W. Va., died there.

## Day Tells of FTC Attitude

Insurance Director Day of Illinois, in addressing the convention of National Fraternal Congress at Chicago this week, referred to the conference recently that he attended between representatives of National Assn. of Insurance Commissioners and Federal Trade Commission representatives at Washington. The commissioners' committee, he said, told FTC that the states could handle the job of insurance regulation and that if FTC attempted to take it on, it would mean the development of a huge and expensive bureau in Washington.

The FTC attitude, he declared, was most cooperative and reasonable "but we were shocked to be told that one state insurance commissioner had himself written in, asking for their assistance, saying that he was unable to get local support in his state for doing a real job on insurance regulation."

Mr. Day observed that insurance with the possible exception of utilities is perhaps the most highly regulated business and the full responsibility for this has been left to the states. This, he declared, is highly desirable since it permits the regulatory agency to be closely in touch with special local conditions, permits encouragement of new local enterprises and avoids further pyramiding of one governmental function after another into the already large and complicated governmental apparatus at Washington. However, state regulation can continue to deserve this responsibility only if it is carried on with high standards of intelligence, fairness and technical ability, and only if it is free to do its work on an independent basis. It must not be weak or over-indulgent.

An insurance department needs to be adequately staffed and adequately financed.

Mr. Day spoke of the fact that at the last session of the Illinois legislature, a law was passed permitting fraternal to write individual A. & H. contracts. This means a big addition to the department's responsibility for examining every policy form used in the state. The department already examines more than 1,100 such forms every month.

## Permanent Ins. Co., Is New Ohio Auto Insurer

Permanent Ins. Co. of Columbus that has been licensed in Ohio to write automobile physical damage coverages has

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago  
Sept. 25, 1951

	Div.	Bid	Asked
Aetna Casualty	3.00*	100	103
Aetna Fire	2.25*	56 1/2	58
Aetna Life	2.50*	84 1/2	86 1/2
American Alliance	1.50*	31 1/2	33
American Auto	2.00	46	48
American Equitable	1.50	25	26 1/2
American (N. J.)	1.00	22 1/2	23 1/2
American Surety	3.00	53	55
Boston	2.65*	64	66
Camden Fire	1.15*	21	22
Continental Casualty	2.50*	64	65 1/2
Fire Association	2.60	61	63
Fireman's Fund	1.60	54 1/2	56
Firemen's (N. J.)	.70	22 1/2	23 1/2
Glens Falls	2.30*	59	61
Globe & Republic	.80	13	14
Great American Fire	1.50*	36	37 1/2
Hanover Fire	1.60	33	34 1/2
Hartford Fire	3.00*	133	136
Home (N. Y.)	1.80	36 1/2	37 1/2
Ins. Co. of North Am.	2.50*	69 1/2	71
Maryland Casualty	1.00	20	21
Mass. Bonding	1.60	26	27 1/2
National Casualty	1.50*	32	33 1/2
National Fire	2.50*	60	62
National Union	1.60	38	40
New Amsterdam Cas.	1.50	35	37
New Hampshire	2.20	42	43 1/2
North River	1.20	26 1/2	28
Ohio Casualty	1.20	60	Bid
Phoenix, Conn.	3.00*	80	82 1/2
Prov. Wash.	1.50	28 1/2	30
St. Paul F. & M.	.80	32	33 1/2
Security, Conn.	1.60	31 1/2	33
Springfield F. & M.	2.00	45 1/2	47
Standard Accident	1.60	37	38 1/2
Travelers	14.00*	630	640
U. S. F. & G.	2.00	54 1/2	56
U. S. Fire	1.40	38	39 1/2

\*Includes extras.

initial capital of \$100,000 and \$150,000 net surplus. Control is owned by Permanent Agency Co. of Akron. One of the vice-presidents is Virgil G. Martin, who is executive secretary of the agents association that was created in Ohio and consists largely of General Motors automobile dealers. The president is Edward C. McCormick. Edward W. Berau is a vice-president. Secretary is William H. Hale and treasurer is T. A. Vaughney.

## Mutual Companies' Detroit Meeting Program Ready

A "progress report" on plans for the observance next year of the 200th anniversary of mutual insurance will feature the annual meeting of National Assn. of Mutual Insurance Companies at Detroit next week. The sessions will be held in conjunction with the annual meeting of Federation of Mutual Fire Insurance Companies and the annual meeting of the Mutual Insurance Advertising-Sales Conference. More than 1,000 mutual executives from all sections of the country are expected.

An entire morning session Oct. 2 will be devoted to 200th anniversary observance plans. Speakers will be L. A. Fitzgerald, director of information of the American Mutual Alliance, and Gerry Swinehart, president of Carl Byoir & Associates advertising agency.

Dr. Lyman Bryson, professor of education at Columbia University, will address the opening "Century Club" luncheon at which representatives of the 105 mutual fire companies which have been in continuous operation for more than 100 years will be guests.

Other features will be a business meeting of the federation Oct. 1, under the chairmanship of N. M. Knowlton, president of Holyoke Mutual Fire. Topics will include: "Does Fire Insurance Engineering Pay Its Way?" by Roger H. Wingate, Liberty Mutual Fire; "War Damage Insurance Developments" by John J. Wicker, Jr., Richmond, Va., attorney, and the report of the federation's fire safety committee by W. G. Schultz, Lumbermens Mutual of Ohio.

Mutual Advertising-Sales Conference

will hold three half-day meetings, two of them joint meetings with the federation. The morning session on Oct. 1 will be devoted to balanced production and advertising; speakers will be C. E. Smith, Employers Mutual of Wisconsin; H. D. Moon, Celina Mutual Casualty, and D. F. Raihle, Hardware Mutual of Minnesota. The second day will be devoted to discussion of 200th anniversary program. Speaker at the luncheon will be Ed Zern of New York. At the final session speakers will be Fred Spooner, Utica Mutual, and James R. Hawkinson, professor of marketing at Northwestern University.

## Speakers at General Sessions

General sessions of National Assn. of Mutual Insurance Companies will be held Oct. 1 and 3. Speakers at opening general session will be Mayor A. E. Cobo of Detroit; Clark Adams, legal advisor to Governor Williams; Joseph A. Navarre, Michigan commissioner; Alfred P. Haake, Chicago industrial economist, and Harry L. Gross, president of the association. The presentation of the H. P. Cooper award to the farm boy and farm girl whose farm prevention inspection work during the past year has been nationally outstanding will be at this session.

There will be two general farm sessions with Ralph R. Botts, agricultural economist of the Department of Agriculture, as speaker. Special sessions will include: Farm fire conference, conference of mutual casualty companies, city and town insurance conference, farm hail conference, and farm windstorm conference.

## Big Salvage in Tax Stamps

One of the largest salvage recoveries in the Kansas-Missouri flood consisted of the federal tax stamps on a carload of cigarettes. The latter were a complete loss but the cigarettes had not passed out of the possession of the manufacturer and the car was hustled back to the factory and the tax stamps removed. The cargo, including stamps, was worth about \$249,000 and the tax stamps were about \$125,000.

## COMMERCIAL STANDARD

a Multiple Line "A" rated company  
with a MILLION DOLLAR CAPITAL  
and OVER A MILLION DOLLAR SURPLUS

Now in its Twenty-seventh year  
of PROGRESSIVE DEVELOPMENT

Offers to selected agents  
in selected territory its facilities:

AUTOMOBILE (All Coverages)  
WORKMEN'S COMPENSATION  
PUBLIC LIABILITY  
BURGLARY  
PLATE GLASS  
BONDS

FIRE, TORNADO, INLAND MARINE

## COMMERCIAL STANDARD

Insurance Company

FORT WORTH, TEXAS

NO STANDARD HIGHER THAN COMMERCIAL STANDARD

### Attending Aviation Meeting

Three representatives of U. S. Aviation Underwriters, A. J. Smith, financial vice-president; George W. Orr, director of claims, and Woodrow Van Hoven, foreign underwriter, are attending the sessions of the International Air Transport Assn. in Amsterdam Oct. 10-12.

This will be Mr. Orr's 25th crossing but the first for Mrs. Orr, who is accom-

panying him. After visiting London and attending the convention the Orrs will take a holiday in Germany, Switzerland, Italy and Paris and return on the Queen Mary about Nov. 5.

Thomaston (Conn) Assn. of Insurance Agents has elected Edward H. Hotchkiss president. Philip Mathes is vice-president, and Walter Kloss, secretary.

## WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

### FOR THE AMBITIOUS MAN

Who is looking for opportunities in the casualty insurance business that presently seem far away; this company may have just what you are seeking. We are interested in bringing several young men into the company now as salesmen where promotions for managerial and executive work can rapidly be earned. Immediate placement can be made at Cincinnati, Chicago, St. Louis, Cleveland and other Mid-west locations. For record of company's growth and financial condition, refer to the Argus Chart or any other factual trade publication. Direct applications to . . .

Personnel Department  
Manufacturers & Merchants Indemnity Company  
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## Defense People Puzzled By Hint of Controversy

WASHINGTON—Defense Department officials have been concerned about a story in THE NATIONAL UNDERWRITER, page 17, Sept. 13, headlined "All Not Rosy." They say it gives a "wrong impression" that there is a fight between the department and agents. The result is said to have been to cause "confusion" in the department and among agents.

Thomas L. Kane, insurance director, that there was a recent controversial conference between department officials and agents' representatives is incorrect. He recalled a January meeting with a delegation representing brokers and agents at which the latter's ideas of what the insurance advisers program should provide were discussed. They were asked to submit a written brief of statement concerning fees and other matters involved, and it would be carefully considered.

### Plan Worked Out

That was done, Mr. Kane says, and ultimately the advisers program was worked out satisfactorily to the group.

Somewhat later, Kane says, a committee headed by Max Highfill, Ft. Worth, conferred with Mr. Kane and other officials regarding the situation in Texas, where advisers wanted fees on the basis of 100% of standard premium, rather than 90% contemplated under the defense projects joint rating plan. The group finally agreed to the 90% basis, Mr. Kane says.

Mr. Highfill, according to Mr. Kane, did not want the advisers plan extended more than necessary specifically to inclusion of price redetermination contracts under the program.

Mr. Kane admits such inclusion presents knotty problems which the department may not be able to work out so that the defense projects rating plan and advisers program can be applied

says the impression given in the story

to redetermination contracts. However, the plan permits such application, if practicable.

### Background Is Traced

The report at the N.A.I.A. convention on the insurance advisers program connected with the defense projects rating plan is said to have been so critical because of the background of the situation, from the agents' point of view.

Agents' representatives say that when the joint producers' committee came here last January to confer with Mr. Kane, a split occurred between representatives of brokers and agents' representatives on the committee.

After producers' views were presented in conference with Mr. Kane, it is said the agents group went to their hotel for further conference and expected the brokers to join with them. Instead, agents' representatives say, the brokers group returned to Mr. Kane's office and submitted a proposal calling for a lower rate of commission or adviser fees than the agents had contended for.

The brokers' proposal is said to have been accepted or slightly modified, and incorporated into the advisers' program so promptly that the agents were resentful. As some said, they "smelled a mouse," indicative that the brokers' proposal had been given the right of way without due consideration of agents' views.

## Another Big Bank Loss in Pittsburgh Area

National Surety has a \$200,000 bond on the Wood County Bank of Parkersburg, W. Va., where the Pittsburgh office of Federal Bureau of Investigation reported breaking its sixth bank embezzlement in the past year. FBI said Dennis V. Layfield, 34 year old bank teller, admitted taking more than \$363,000 in the last four years. He was arrested when he returned to work after a vacation in Canada. He had been with the bank 11 years. The shortage was uncovered while he was away. In this case Federal Deposit Insurance Corp. won't be called in for financial assistance as it was on several other dishonesty losses in the Pittsburgh area. The president of the bank said the loss above insurance would be made up from bank capital.

Layfield took the money, the FBI said, by removing cash from the teller's drawer, then setting up and manipulating fictitious bank accounts.

### Buyers Journal Sold

The Weekly Underwriter has bought the Insurance Buyer from Roger W. Budlong, and will incorporate it in its weekly edition. Mr. Budlong is now on the insurance editorial staff of New York Journal of Commerce, but will supervise getting out the new section for the Weekly Underwriter.

### Brantley N. C. Deputy

Richard S. Brantley, assistant fire actuary of the North Carolina department for two years, has been promoted to acting chief deputy commissioner effective Oct. 1.

He will succeed Wofford F. Humphries, who resigned after holding the post nine years to enter private business.

Mr. Brantley, a 1948 graduate of University of North Carolina, was a bomber pilot during the war and still is a reserve officer.

### Employers Names Bowen as Little Rock Manager

Alfred T. Bowen has been appointed manager of Employers group at Little Rock, succeeding Sidney J. Gibson, who is now resident manager of the southwestern department in Texas. Mr. Bowen's former position of claim superintendent at Little Rock will be taken over by Milton F. Halter.

Mr. Bowen has been with Employers about 13 years. Since 1947, when he became superintendent of the Little Rock claim department, he has also served as regional claim superintendent for Arkansas and Tennessee.

Mr. Halter has been with the company since 1949. He has been supplementing his insurance experience as a claims adjuster with special courses in insurance and insurance law at University of Arkansas and Arkansas law school.

### T. L. Bean Is Retiring

T. L. Bean, vice-president of Royal Indemnity, is retiring Oct. 1. He joined the group in 1923 as superintendent of the Globe's accident department. In 1930 he was appointed production manager of Eagle and, four years later, of Royal. He was elected vice-president of Royal Indemnity in 1944.

### Feature Russell Davis

Russell Davis, vice-president Lumbermen's Mutual of Mansfield, will be the principal speaker at the annual meeting of Mutual General Agents Assn. Oct. 17 in Chicago. His subject is "The Obligations of a General Agent as the Company Sees Them." This meeting is being held in conjunction with National Assn. of Mutual Insurance Agents convention at the Edgewater Beach hotel.



## Casualty Agents Oppose Reduction of Commissions

**Lyle McKown,  
Minneapolis, Named  
National Assn. Chief**

By KENNETH O. FORCE

WHITE SULPHUR SPRINGS—In both resolutions it adopted at its annual meeting here National Assn. of Casualty & Surety Agents touched on commissions. Because of the greatly increased cost of production, the unusual services required of producers and the fact that production of some lines represents a loss to agents, it was recommended that no reduction in commis-



H. R. Price, Jr.



C. F. Harrington

sions be effected except with like reduction on the company expense side.

Commending Assn. of Casualty & Surety Companies and other organizations that have done a fine job on traffic safety, the agents' group emphasized its belief that diminution of producers' commissions is no solution to the problem of auto accidents and high auto rates.

### Price Had to Leave

Holton R. Price, Jr., St. Louis, outgoing president, had to leave the convention suddenly due to the serious illness of his wife's mother, and he could not present his presidential paper. This dealt seriously with the problem of inflation and its effects on the country and the insurance business. Mr. Price believes agents as citizens can and must do something about it—ask more production on the military side, demand an end of cheap money and easy credit, call for more taxes to get on a pay-as-we-go basis and carry the fight to Washington through contact with legislators.

Lyle S. McKown, Minneapolis, was elected president; Thomas W. Earls of Cincinnati and Paul Sisk of Tulsa, vice-presidents. New members of the executive committee are Robert N. Bowen, Indianapolis; John C. Griswold, New York; A. E. Allsopp, Newark, and M. L. Taylor, Los Angeles. Mr. Price becomes board chairman.

### HARRINGTON'S REPORT

In his report, C. F. J. Harrington, executive vice-president, noted the interest of this and other producers' groups in the commissioners' uniform accounting session at Chicago beginning Oct. 30, particularly in the effect on rate making of the disposition of expenses. National Assn. of Insurance Agents, National Assn. of Insurance Brokers and the casualty agents will be represented at that session. There is close cooperation among the groups, he

## Three-Point Management Research Program Offered

WHITE SULPHUR SPRINGS—Management research to get the facts, application of them to the writing and selling of insurance, and public education to make the facts known and understood by the people are three things that must be done immediately by the insurance business, Ralph H. Platts, president of Standard Accident, said here in his presidential address to



J. Dewey Dorsett



R. H. Platts

International Assn. of Casualty & Surety Underwriters, meeting jointly with National Assn. of Casualty & Surety Agents.

Harold P. Jackson, president of Bankers Indemnity, was elected president; R. E. McGinnis, president of Central Surety, vice-president, and George D. Mead, head of the Glens Falls group, chairman of the executive committee. J. Dewey Dorsett was renamed secretary-treasurer. Other new members of the executive committee are Herbert Stellwagen, Indemnity of North America; Otto Patterson, American-Associated, and Beverly H. Mercer, Fidelity & Deposit.

Mr. Platts noted that William Leslie, general manager of National Bureau of Casualty Underwriters, who preceded him on the program, had dealt with the problem of casualty rating.

### Public Service at Minimum Cost

There are other problems, he said. One is the growing consciousness of the public that all insurance is a public service and should be provided at a minimum expense. The public is conscious of insurance price as well as others. But there is this difference, commodity prices are regulated by acceptance or rejection by individuals—the price of insurance is regulated by statute.

If management does the three things he outlined, Mr. Platts thinks, without sacrificing competitive strength or losing individuality as independent companies, the business will prosper as never before. Further governmental interference will be minimized if not dissipated and public acceptance will be raised to a level that will insulate the business against the problems and unreasonable

said, on all matters of common interest.

The casualty agents opposed the graduation of expense on boiler and machinery, and Mr. Harrington said National Bureau of Casualty Underwriters has indicated the proposal should be tabled.

The organization now has 407 members and is in excellent financial shape. Mr. Earls reported on meetings in the past year. J. Edward Cochran of Hagerstown, Md., headed the nominating committee and Cliff C. Jones of Kansas City, resolutions. J. Elliott Hannon of Cleveland presented the auditor's report.

C. A. Baker of Milwaukee and J. W. Mindnich of Loyalty group won the horseshoe pitching contest, with George H. Albrecht, Chase National Bank, and Floyd N. Dull, New York, as runners-up.

expenses that plague the business at present.

He does not think the business can go along in a haphazard state of old-fashioned individualism. In the past season, 15 bills called for state insurance monopolies. Stock casualty and surety companies are confronted with a serious rise in loss and expense ratios for all lines.

### Badly Need Research

The business should look for ways and means to advance the interests of insurance, and proper research is needed to develop the facts. More inflation is expected. Insurance is a dollar business so that changes in the dollar value are quickly felt. Losses and expenses incurred fluctuate with the value of the dollar, and this needs research. Personnel is another subject that calls for study to make the business attractive to interest and hold capable employees. He commended to rating organizations the value of research.

He said he was not advocating prying into one another's means of internal operation, but if the business is to go



R. E. McGinnis



H. P. Jackson

before regulatory authorities and the people for acceptance of rate structures, companies must be sure their internal structure is sound and economically operated. Much can be learned from an honest exchange of methods and opinions. Companies pool their experience through rating organizations to secure the fairest and most representative rate schedules. Why not pool experience as to business operations to get the highest possible degree of efficiency and economy? In 1950 company general expense to net premiums written was 38% for fire insurers and 35% for casualty. Inflation may force these ratios higher. But with examination of company organizations, procedures, policies, personnel and related subjects, and an honest pooling of information, there may be some common keys to reducing them. What does it cost to write policies and what are the variations by line?

### More Workshops Coming

Assn. of Casualty & Surety Companies set up machinery early this year to begin a study of the business' rising cost of operation. This workshop on cost reduction and control in which member companies spent several days examining preservation, destruction and retention of records and elimination of duplication, worked out so well a second workshop on recording in multiple line underwriting is being developed for this fall. Uniform accounting came by fiat, but the companies themselves worked out the problem of graduation of expense by size of risk with the insurance authorities. Other regulations may be forced upon the business, unless it acts first.

Whether management, having obtained the facts, will apply them to the betterment of writing and selling insurance is up to each management.

The business may bring out public operations to the highest degree of efficiency

## To Revise Auto Rates Again This Fall, Leslie Says

**Will Ask 5% for  
Underwriting Profit  
and Contingencies**

WHITE SULPHUR SPRINGS, W. VA.—Present automobile bodily injury and property damage liability rates may not be sufficient, William Leslie, general manager of National Bureau of Casualty Underwriters indicated to the combined meeting here of International Assn. of Casualty and Surety Underwriters and National Assn. of Casualty and Surety Agents. The bureau has already been told by several important insurers that their countrywide results for July were worse than any month of the first half of the year.

Reported loss ratios by quarters, starting with the fourth quarter of 1950 were as follows: For B.I., 62.2, 61.6, and 61. For P.D.L. they are 60.1, 75.3 and 59.5. The bulge in P.D.L. losses reported for the first quarter of 1951 is partly due to seasonal causes, and the lower figure for the second quarter of 1951 should not lead to belief that a sudden improvement had taken place, he said.

### Near or Above Permissibles

If the premium underlying these loss ratios is adjusted to a current rate basis, that is to rates in effect today reflecting the various rate revisions that have been made, for B. I. the loss ratio for those quarters would be 54.7, 54.3 and 54, compared with a permissible loss ratio of 55.4. On P. D. L. they would be 53.8, 67.9, and 54.1, compared with a permissible loss ratio of 51.7.

On the face of these figures, rates seemingly are adequate for bodily injury but deficient for P.D.L., he said. But he is pessimistic about the B.I. because those loss costs have lagged behind price increases and therefore the business can anticipate a continued increase in loss costs even without a further increase in prices, and the latter seems inevitable.

Though in normal times it is advisable to revise rates once a year only, there is no reason revisions should not be made more frequently if conditions warrant, he declared. Accordingly, National Bureau's present filings were made with the understanding they represented an emergency increase and that another review would be made as soon as the 1950 policy year experience became available. That should be about November.

The bureau intends starting at that time to go through another round of revisions for all states and territories.

(CONTINUED ON PAGE 22)

and economy and establish rating schedules so accurately that the most critical regulator can find no fault with them and still lose half the results if it does not make the truths about the business known to the public. Action of National Bureau in explaining the facts about increases in automobile liability rates had unbelievably favorable results. He hopes the bureau and other rating units will do this with other lines. More should be made clear about insurer profits. One disastrous legislative action was just missed because a high public official thought the difference between premium dollars received and claim dollars disbursed was profit.

## Independents Chafe Under Statistical Load

OKLAHOMA CITY—National Assn. of Independent Insurers in its regional meeting here lashed out at the over zealousness of state insurance supervisory officials as well as at high taxes, and in return heard speakers urge them to take an interest in an industry-wide public relations program.

The meeting was well attended and in addition to a strong program arranged by Vestal Lemmon, manager of the association, the annual gathering of Independent Statistical Service was held.

The fireworks were started in a mild way by Commissioner Dickey of Oklahoma in the course of his address of welcome when he said if insurance maintained a well planned public relations program he would have been spared much embarrassment over new automobile rates for the state. He had made a facetious remark that he was glad to be in their presence and not in jail, mindful of the protracted litigation over the new automobile rates.

The public relations theme was carried forward in the address of John C. Leslie, publisher of Insurance Record, who pointed to the successful campaign carried on by the joint efforts of the entire British insurance industry against the nationalization of the industrial life insurance business of that country.

### Talk by Walter Hays

Walter L. Hays, president of American Fire & Casualty and of N.A.I.I., devoted much of his talk to a plea for more reasonable and understanding action on the part of the state supervisory officials. He was followed by Mr. Lemmon who recounted some of the difficulties thrown in the path of the independent insurance companies by the rating authorities.

Other speakers included Leo Goodwin, Government Employees Ins. Co., who responded to an address of welcome; Dr. Waldo E. Stephens, Oklahoma City, Stephens Petroleum Co., who gave a scholarly address on current conditions; H. E. Curry, State Farm Mutual, who spoke on "The Automobile Accident Problem"; J. B. Robertson, president of Employers Reinsurance; Charles H. Robuck, Texas insurance department, and Currey Sanders, Tennessee insurance department.

Mr. Lemmon, speaking of the problems of complying with demands for excessive and frequently, unnecessary statistical data, said:

### Position of Independents

"Perhaps some are prone to forget that the independent companies were not responsible for the S.E.U.A. decision. That case was directed at companies acting in concert. Independent companies were not in violation of the anti-trust laws. As you know, Congress gave the states an opportunity to enact rating laws. We did not want the federal government to have anything to do with the regulation of the insurance business.

"This, coupled with the belief that rating bureaus had to some extent a stabilizing effect on the business, persuaded our group to go along with the idea of enacting reasonable rate regulatory laws. It must be remembered that these rating laws were designed primarily to permit companies who so desire to act in concert under state supervision.

"Independent companies agreed that rates shall not be excessive, inadequate or unfairly discriminatory but in every other respect they reserved the right to vary from filings already made or to promulgate and use their own rates, rules, coverages, classifications and rating plans."

Mr. Lemmon urged repeal of laws

requiring Schedule "P," in casualty company statements in conformity with suggestions made by commissioners in Zone 6. He said the commissioners should also take an active interest in seeing that special deposits and retaliatory laws are repealed, and that there should be cooperation and teamwork between commissioners and the industry to eliminate unnecessary work and burdensome expenses.

The program of the second day was devoted almost exclusively to the problems of the Independent Statistical Service and the talks were on various phases of developing statistics. Among the speakers was Roy Harlan of Texas Casualty Ins. Co., Austin.

### Lemmon Takes Firm Stand

Mr. Lemmon in his talk assailed the argument that a company should not be permitted to use the rates or general rate structure of any rating bureau unless the experience of that company is included in the basic statistical data. The argument is unsound, he said, because it is premised on the theory that statistics are the sole basis for rates and the rate structure, whereas there are many other factors that enter into rate making and also if the bureau embraces a fair proportion of the volume its data is sufficiently reliable and thirdly, a rating bureau has access of a particular insurer is included in the data of the bureau upon whose filings it relies. Mr. Lemmon complained that departments too often ask for supporting data on a very limited amount of business.

Mr. Lemmon also attacked the theory that there should be complete uniformity in reporting statistics. This is prohibited by law and, furthermore, if there should be complete uniformity of statistics there would eventuate uniformity of rates and rating systems.

Mr. Lemmon cautioned against over-emphasis on statistics. Past experience is valuable but it has limitations. It was never intended to saddle upon independent insurers rigid requirements and burdensome details.

### Complains of Zone 2 Move

Mr. Lemmon said the department rating men of zone 2 at a meeting a few days ago at Baltimore came out with an elaborate set of rules for submitting rate filings. This apparently was done without consultation with the "industry." It seems likely that N.A.I.I. will have to insist on some modifications to conform more nearly to the spirit of the rating laws.

The zone 4 commissioners, he said, recommended a set of procedures for an extensive examination of rates, rules and forms used by companies, this to be conducted simultaneously with the financial examination. This idea, he said, "was drummed up and approved without consulting the industry." He said he was pleased to say that the zone 6 commissioners "took a realistic approach and turned thumbs down on the zone 4 proposal."

Mr. Lemmon said the zone 6 commissioners took another progressive step in indicating that schedule P should no longer be required. He said he understands that the Washington and California commissioners will ask their legislatures to remove the schedule P formula from the laws. He said it is doubtful that schedule P ever served any useful purpose and never kept a company solvent.

Mr. Lemmon took cognizance of an "increasing amount of agitation for compulsory automobile insurance." He said apparently the New York and Illinois commissioners may favor such legislation. Insurance Director Day of Illinois, he said, "tries to calm the fears that establishment of a state fund would follow after passage of the compulsory law. He points to the fact that although workmen's compensation has been a compulsory coverage for many years, there has been little recent agitation for state funds. The parallel between workmen's compensation and automobile insurance is not particularly exact."

## Analyzes Problem of Bonds With Cumulative Liability

The position of surety companies that refuse to accept cumulative liability under bonds has been assailed by the courts on several occasions lately. E. Vernon Roth, Surety Assn. of America, stated in his paper before the insurance section of the American Bar Assn. in New York. Fred G. Stickel, Jr., Newark, also addressed the fidelity and surety session.

Insured has instituted suits against sureties even where the original bond is specifically continued in force and by its term provides that liability of the surety on the original and all its renewals shall not exceed the penalty of the original bond. Mr. Roth noted. If cumulative liability is established as a legal principle and is forced on the sureties, it could result in serious embarrassment unless an increase in premium is provided to cover the additional liability. Failure to do this might place the sureties in a predicament not occupied by any other insurer.

### Escape from Underinsurance

The demand for cumulative liability, he said, arises solely from the desire to be relieved from the evil or misfortune of an inadequate amount of insurance.

Sureties look on cumulative liability as an overly hazardous risk and have sought to make it clear in bond forms and in their issuance that the intent is merely to continue the original bond in force year after year. This is not a strange attitude. The companies have been reluctant to shoulder a liability they cannot measure with some degree of accuracy or one too great to assume.

The companies' funds are not inexhaustible, he declared. They must pay losses, taxes, rent, commissions and salaries. They must be farsighted, anticipate every economic crisis and be sensitive to change in business conditions in order always to be ready to meet their obligations promptly. They play a highly important part in the economic life of the nation and are anxious to discharge their obligations to the business world. If eventually research and study shows that annual or cumulative coverage is economically feasible, perhaps such coverage can be provided, but it should not be injected into existing forms issued as indefinite term contracts.

### Continuous Bond Advantages

Continuity of coverage throughout the entire period of employment means insured does not have to prove the loss took place in any particular year, so long as it was within the time the bond was in effect. Discovery of fidelity losses is seldom immediate, and insured should have a liberal period of time for discovery. Continuous bonds contain no clause by which the obligation is avoided or suspended by failure of insured to pay an annual premium. No affirmative action of either party to the contract is necessary to keep it in force, and there is no risk of lapse of coverage.

Some of the disadvantages of annual bonds are failure by insured to have the bond rewritten, loss of continuity of protection, increased expenses of handling, and the fact that their coverage is not an advantageous substitute for adequate coverage. An employer who obtains annual bonds is apt to relax in his supervision of employees.

It has been suggested that sureties give cumulative liability in exchange for annual premium, but they believe this is a risk they cannot assume at current rates. Suretyship is a much more hazardous business than most people realize. In some cases it has been contended that there is a failure of consideration for payment of renewal premiums where the bond is continuous in form. But Mr. Roth noted that a continuous bond in force for say 10 years not only affords protection throughout the 10 years for current losses but by virtue of the tenth

payment the protection against long concealed losses is kept alive.

In fidelity bonds for financial institutions, the superseded suretyship provision provides continuity of coverage so that losses which occurred under a prior bond and were not discovered within the discovery period of the prior bond are assumed by the new bond. This provision provides continuity of coverage but deliberately avoids cumulative liability under both bonds. Difficulty of proving that a loss occurred while an annual fidelity bond was in force caused a widespread demand for the continuous bond. Certainly surety companies cannot carry latent liability indefinitely. An annual bond of inadequate amount can never take the place of a continuous bond in appropriate amount.

Reports are that supervisory officials feel that public official bonds should be written on an annual rather than an indefinite basis, so that with each annual bond the surety would assume in the aggregate an ever increasing potential hazard. The annual bond with cumulative liability is a more dangerous obligation and if adopted as a regular requirement would justify higher rate than the continuous form. Annual bonds in connection with public officials have raised numerous complicated questions which in some instances substantially delayed adjustment of losses. There is also the question of whether an annual bond would satisfy the requirements of the statute which imposes a requirement on the elected official to furnish bond for the term of office.

### Bonding Government Officials

Recently a federal official, on the basis of the decision in U. S. vs. American Surety, demanded annual cumulative liability by requiring that bonds of his deputies be executed annually. The business of government, federal and state, is operated on an annual budget, and those who serve as supervisors may be subject to annual change and have no interest in predecessors or successors. Hence, several commentators have suggested that sureties should appreciate the uniqueness of this class of risk and issue bonds annually where there is no statutory prohibition and for a fair and equitable premium. The significance of the American Surety decision, which was by a divided court, has yet to be evaluated.

Underwriters don't feel that decisions supporting the theory of annual bonds actually are in line with the weight of authority but do realize that such cases indicate a public attitude. Consequently careful consideration has been given the problem to determine if it is possible for sureties to assume this extraordinary liability. But unless some means can be found to avoid the natural tendency to cut the bond amount to some fraction of the term bond, such a procedure would magnify the evil of underinsurance and place a premium on lax controls, supervision and audits.

### Premises in Robbery Policy

An item in the July issue of Casualty Insurer made the statement that in connection with the premises robbery policy, premises extend to any exterior grounds on which the buildings sit, used by insured in the conduct of his business.

This gave an incorrect impression, as one casualty man wrote. Premises may be extended to include the entire plot of ground on which the office or store is located but an additional premium of 50% of the policy premium including minimum premium where applicable must be charged.

Guardian Life of New York has joined H. & A. Underwriters Conference. The company recently announced its decision to enter the A. & H. field and is now building up a staff.



# Compensability of Many War Injuries Is Likely

The unmistakable trend for 30 years has been toward a liberal line of reasoning which will recognize and uphold compensability so long as the injury was received by the employee in the course of his employment, John J. Wicker, Jr., Richmond attorney and counsel for American Mutual Alliance, told the insurance section of the American Bar Assn. in New York.

Addressing the section on W.C. and employers' liability of which L. J. Carey of Michigan Mutual Liability is chairman, Mr. Wicker presented a thorough discussion of employers' liability for war injuries. The modern trend of courts across the country appears to be to emphasize the basic rules that W.C. laws should be construed liberally in behalf of the claimant and all doubts resolved in his favor, in order to extend maximum protection to the employee and his family.

## Would Hold Them Compensable

He divided war injuries into four general classes. He believes that on the basis of the majority of cases, compensability in the first three classifications would be upheld in most jurisdictions. Those three are war injuries received by employees in war plants, war injuries received by employees in any civilian activity essential to the maintenance of the national war effort, such as transportation, utilities, etc., and those received by employees at a place where their employment required them to be and at or dangerously near a place which could normally be regarded as a natural target for enemy action, such as an important bridge or highway.

The fourth classification, injuries received by employees not included in the other three classes—non-war work employees receiving war injuries at a place which was neither a war plant nor an essential activity nor essential structure, nor a natural target for enemy action and not dangerously near any of those, he thinks might be upheld by a few courts but not by the majority.

He added, however, that it is entirely possible the next war may include use of such powerfully destructive bombs as to maim or kill practically everyone in a large city. In that event it probably would be argued that the entire city was a war target and it would be contended that compensation should be awarded to every injured employee since his place of employment was within the war target area. He believes that compensation would be limited in most jurisdictions to employees whose injuries came within the first three classifications.

## Arguments Against Compensability

He listed a number of principal arguments against W.C. liability for war injuries. Even in peace time W.C. laws are not all inclusive, the laws are designed to protect the employee against the normal hazards of peace time occupation, war injuries were never contemplated in the risk assumed by insurers or state funds. W.C. rates are based on current risks and past experience and there has never been any provision in W.C. rates for any war injury risk. The risk for war injuries is so vast and tremendous that no employer or insurer could reasonably be expected to assume it. Also, the risks on such injuries are of a nature that no insurer or employer would ever knowingly accept it.

A fair premium for insuring such an incalculably dangerous and huge risk would be such no employer would be able to pay, even at the lowest rates any sensible insurer would have to demand. The weight of so great a risk should not fall on a small segment of the economy but on the entire nation. One concentrated war bombing would probably

throw into bankruptcy the strongest employers and strongest insurers. In deciding cases involving war injury the average court might be expected to decide that no state legislature intended by its W.C. law to cause the collapse

or bankruptcy of employers or insurers for the benefit of the comparatively minor portion of the public covered by W.C. laws.

On the other hand, there are almost an equal number of arguments supporting liability. The language of W.C. statutes is all inclusive; nothing therein indicates any legislative intent to restrict the scope of coverage to normal peacetime injuries. Most W.C. statutes have been amended or reenacted since the second war and yet none excludes

war injuries by implications or expressly.

The war injuries compensation laws of other countries expressly substituted government compensation for W.C. or employers' liability acts. This express substitution implied that otherwise employers and their insurers would be liable. In the second war the congress enacted a defense employees compensation act, providing reimbursement for injuries arising out of a war risk hazard, sustained by employees of defense con-



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tractors outside the U. S. This might be considered congressional endorsement of the view that W.C. laws should be construed to include compensability for war injuries.

Some insurance supervisory officials have officially opined that war injuries probably would be held compensable under W.C. laws. Some home office counsel have expressed the opinion that war injuries would probably be held compensable. Similar opinion has been expressed by the National Conference on Labor Legislation and by the American Assn. of State Compensation Insurance Funds.

#### Analogous Injuries

Many courts have upheld compensability for somewhat analogous injuries, where an employee, attending his duties at the place where his employment required him to be, was injured by an act of a third party or by some force in no way connected with his employer or the employment.

Proposal by the government of a federal law which would substitute federal relief benefits in case of concentrated injuries for W.C. benefits indicates by implication that W.C. might be held applicable to war injuries. Courts have shown an increasing tendency to apply the broadest, most liberal interpretation possible to the construction of statu-

tory language—"arising out of and in the course of employment".

The problem is puzzling and involved but involves a subject that has become extremely important. Unless there is some clarification by statutory enactment, the answer must remain a matter of argument and opinion unless and until the actual occurrence of some war injuries brings about specific and final litigation. Unlike many other areas of liability, he said, W.C. liability is determined entirely by statutory enactment and by judicial interpretation of the appropriate statutes as applied to the particular facts in each case.

#### Denver U. Football Player's Compensation Claim Denied

DENVER—London Guarantee & Accident, workmen's compensation carrier for University of Denver, has denied a claim filed with the state industrial commission by Ernest E. Nemeth of East Chicago, Ind., a guard on the university's 1949 football team, for \$26 "salary" for playing football, which he says was not paid to him for one week while he was injured.

The university denies that Nemeth or any other student was paid for playing any sport.



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### Who Is Liable in Fuel Delivery for Faulty Equipment

A scholarly review of the judicial and legal aspects of liability for explosions resulting from delivery of fuel to defective installations was presented at the insurance section of the American Bar Assn. by John R. Baylor of Lincoln, Neb.

A dealer in gas, gasoline, propane, butane or other explosive, at the request of an occupant of the premises, makes delivery of an order to tanks or pipes entirely owned by and under the control of the customer. Reasonable care is used by the dealer as to quality and quantity delivered and as to the activities required in transferring from the dealer's mains or tanks or trucks to the installation of the customer. After delivery an explosion results solely from the defective equipment of the customer.

#### Deliverer Is Not an Insurer

Under such circumstances, Mr. Baylor said, the frequently reiterated rule as to the negligence of the deliverer is in substance that the deliverer is not an insurer and that the deliverer is chargeable with negligence in making deliveries to such equipment only if he has notice of a defect in the equipment of his customer.

However, some courts in recent years have held that although the dealer did not have specific knowledge of the defect, his knowledge of certain conditions constitute a notice of the possibilities that the defect existed and raised a duty to inspect the customer's installation before making delivery. As to the owner or occupant of the premises, the trend of decisions seems to be to limit his obligation to discover defects in his equipment and appliances.

Mr. Baylor concluded that although the courts universally reiterate the rule that a deliverer of explosives has no duty to inspect pipes and appliances which he did not install, own or control, if such deliverer has no knowledge of a defect, yet some courts have held that many somewhat unrelated circumstances may be sufficient to charge the deliverer with knowledge and impose a duty to inspect.

#### Circumstances Imposing Liability

Failure to inspect by a deliverer may be the basis of his liability for all damage arising from a defect of which he knew or under the circumstances should have known. Circumstances, knowledge of which imposes a duty to inspect, include:

Omission of inspection by the city as required by ordinance; connection of a butane cooking range with a temporary supply of bottled gas; connection of pipes of a customer with those of persons not ordering fuel; remodeling buildings so that gas pipes may be affected; existence of a washout or other unusual occurrence which conceivably may effect appliances or equipment carrying fuel.

These decisions doubtless satisfied the customers in placing the burden of loss after the loss has occurred. But Mr. Baylor thinks it is doubtful that a customer in a hurry for fuel will be pleased with a refusal to make delivery until his installations are inspected. To keep the customer's good will a deliverer of fuel must often disregard the duty imposed by the courts. In that event the liability insurer of the deliverer becomes the insurer of the customer's installations.

While broadening the duty of the deliverer to determine the fitness of the customer's installations, some courts have cut down the duty of the owner or user of the installations. The latter's duty to exercise due care has been held to commence not when he becomes aware of the conditions which may indicate the existence of a defect but only when he actually becomes aware of a condition which, if continued, will create an explosion. When the defect and danger are as foreseeable by customer

### Give Program for Annual Meeting of A. & H. Bureau

Bureau of A. & H. Underwriters has announced the program for its annual meeting at Hot Springs, Va., Oct. 29-31.

The first morning's program includes the address of the chairman of the governing committee, W. E. Kipp, Indemnity of North America, and talks by Perry T. Carter, Travelers, "The Value of an A. & H. Program to a Life Company"; H. P. Stellwagen, Indemnity of North America, "An Appraisal of A. & H. Insurance as Part of the General Casualty Business," and Dean C. Picton, Toledo local agent, "Accident Insurance in the All-Lines General Insurance Agency."

There will be committee and subcommittee meetings in the afternoon, followed by a dinner.

#### Underwriting Forum

Douglas J. Moe, U. S. Life, will preside at an underwriting forum Tuesday morning. Paul H. Rogers, Aetna Life, will discuss underwriting problems arising out of modern warfare; Neil J. Brown, Hartford Accident, "Problems Arising in the Use of Schedule Type Policies"; A. P. Dowlen, Republic National Life, "Trends in Writing Hospital Expense Insurance"; David H. Harris, Equitable Society, "Writing Catastrophe Medical Expense Coverage on Individuals"; Edward M. Ulrich, Pacific Mutual, "Use of the Non-prorating Form of Standard Provision 1"; Ray L. Hills, Great American Indemnity, use of alcohol as a factor in underwriting; Robert W. Pope, Employers Liability, insuring individuals who are currently under medical treatment by waiver or otherwise; A. B. Hvale, Continental Casualty, trends in post-claim underwriting; O. F. Siegmund, General American Life, retention of essential underwriting data; John F. Lydon, Ocean Accident, considerations in class underwriting, and Robert J. Sullivan, Travelers, persistency of commercial A. & H. policies.

There will be a golf tournament that afternoon and in the evening the chairman's reception and annual dinner.

Wednesday morning James T. Phillips, vice-president of New York Life, will tell why his company entered the A. & H. field and Dr. J. C. Horan, Metropolitan Life, will speak on medical selection of health insurance applicants with histories of physical impairments.

#### Withe at London Congress

Stanley F. Withe, head of the public education department of the Aetna Life companies, will represent this country at the highway safety congress in London Oct. 2-4 as the official representative of National Safety Council. A report on traffic safety developments in the U. S. prepared by the National Safety Council will be presented at the opening session.

The meeting is sponsored by Royal Society for the Prevention of Accidents. The new Aetna roadometer will be on display.

Mr. Withe also will conduct foreign previews of the new Aetna educational motion picture, "The Secret Service." The picture, which has already had a preview before Treasury officials in Washington, deals with the detection of counterfeiting.

First official preview of the film will be in London Oct. 1 at Scotland Yard. A similar preview will be held in Paris later that week, and it will be shown publicly at Hartford Nov. 15. After that, it will be available to Aetna agencies.

as deliverer, the latter should be liable only if he fails to use reasonable care after being specifically requested by the customer to remedy the defect or cease delivery, Mr. Baylor suggested.



## Mooney Named in Missouri for Springfield F. & M.

Lawrence E. Mooney, state agent for Springfield F. & M. group in western Missouri, has been appointed state agent for the entire state, taking over the jurisdiction which has been supervised by C. H. Mahn, who has been elected secretary.

Mr. Mooney started with Springfield in 1928, and after service in the fire underwriting department at Chicago became special agent in Oklahoma in 1935. Later he was appointed state agent for northeastern Oklahoma and in 1946 was transferred to Missouri as state agent for the western half of the state.

Bruce E. Westerling has been named associate state agent for eastern Missouri at St. Louis, and Robert P. Hartman has been named associate state agent for western Missouri. The offices of the Springfield will continue in the Pierce building at St. Louis and the Board of Trade building at Kansas City.

## Phoenix of London Names Two for Southern Field

Phoenix of London group has appointed Frank E. Newman as special agent at Richmond, Va., and I. B. Williamson as special agent at Atlanta.

Mr. Newman will service Virginia and portions of the District of Columbia and Maryland. Mr. Williamson will service Georgia and Alabama.

## New St. Paul State Agents Named in Illinois, W. Va.

James D. Streich, formerly West Virginia state agent of St. Paul Fire & Marine, has been transferred to Chicago to take over the central Illinois territory, formerly traveled by Carl B. Drake, Jr., who was recently recalled to the home office. Mr. Streich has been with the St. Paul companies since 1940 except for army service, in the underwriting departments at the home office, as field man in Ohio from 1946 to 1948, and in West Virginia since 1948.

E. Carrell Douglass will replace Mr. Streich as state agent in West Virginia and will maintain an office at Parkersburg. He was with Ohio Inspection Bureau for a few years and has had several years of field experience in Ohio, recently with America Fore at Cleveland.

J. A. Dokmo has been appointed special agent, associated with State Agent J. H. Lewis in southern Minnesota. His entire insurance experience has been with the St. Paul companies, which he joined in 1940. His early training was in the underwriting departments, and for several years he has been in the safety engineering department. He will have headquarters at the home office.

## Andrews in Okla. Field

Russell C. Andrews has been named special agent in Oklahoma for Great American with headquarters at Oklahoma City. Mr. Andrews, a graduate of the University of Oklahoma, has been with Oklahoma Inspection Bureau.

## R. A. Johnson to Home in Ky.

Robert A. Johnson, who has been with Kentucky Inspection Bureau three years, has been appointed special agent by Home at Louisville.

## Name Hargrove in N. C.

American has appointed Herman R. Hargrove, Jr., as special agent for the central part of North Carolina, assisting Clarence A. Martin, special agent.

Mr. Hargrove served in the navy during the war, and later attended the University of North Carolina. For the past year he has been in the home office multiple line advanced training class.

## Golden in W. Va. Field

Robert L. Golden has joined the Alfred Paull & Sons managing general

agency of Wheeling, as special agent for West Virginia. Mr. Golden has been with West Virginia Inspection Bureau.

## 100 Turn Out for Big Field Day at Annapolis

More than 100 turned out for the joint outing of the field clubs of Maryland and Washington, and the Chesapeake and National Capitol ponds of Blue Goose at Annapolis Roads Club. The Baltimore contingent beat Washington in the golf match, but lost the baseball and horse shoe pitching contests. John Roane, Baltimore adjuter, and R. T. Swanson, of Baltimore tied for low gross at golf.

John H. Beck, special agent of Fire Association was attending his first outing since being laid up with polio.

## New Cal. Company Licensed

Allied Employees Ins. Co. of Los Angeles has been licensed by the California department to write liability, workmen's compensation, common carrier liability and automobile insurance. It has capital and surplus of \$400,000. President is Charles W. Brown, Beverly Hills; vice-president, Frank J. Egger, and secretary, W. H. McCaffrey, both of Los Angeles. John L. Flynn, Los Angeles, formerly assistant attorney gen-

eral assigned to insurance department, is a director.

## May Make A. & H. Tax Free for Persons 65 or Older

The Senate finance committee has taken a step which may cut some ground from under Federal Security Administrator Oscar Ewing's plan to provide governmental hospitalization insurance for everyone over age 65. The committee has voted to liberalize the income tax deduction for medical expenses of taxpayers 65 or over.

Under the finance committee amendment, which was written into the revenue act of 1951, these persons may deduct all medical expenses, including health insurance premiums, up to the present limit of \$1,200 for an individual taxpayer and \$2,500 for a married taxpayer without regard to the present provision that only medical expenses that exceed 5% of the taxpayer's adjusted gross income are to be taken into account.

Hence, health insurance premiums paid by persons age 65 or over will generally be fully deductible for federal income tax purposes. The provision will undoubtedly stay in the bill and become law when the new revenue act is passed. There were 15 bills in the last session

to liberalize income tax deductions for medical expenses but this is the first one to apply only to the aged.

American Medical Assn. is reported backing an amendment offered by Senator Ecton, Montana, to the revenue bill which would remove the 5% income deductible limit from medical expense for everyone. This amendment goes much farther than that recommended by the Senate finance committee.

Life, and A. & H. interests are shy of the Ecton amendment, on the ground that it might be regarded as a government subsidy to purchasers of medical and related insurance.

## Aetna Men at Milwaukee

Wisconsin and upper Michigan representatives of Aetna Casualty attended a conference on improved methods of policyholder service at Milwaukee. About 100 attended. A. L. Wortmann, Milwaukee manager, was in charge. Others participating were C. G. Hallowell, vice-president; R. C. Larson, F. W. Potter and W. J. O'Meara, field supervisors; L. A. Wood and J. W. S. Gallagher, field representatives of the Milwaukee office.

B. E. Diller has rejoined the C. A. McHugh adjustment firm at Bluefield, W. Va., following a tour of duty with the army engineers in Korea.

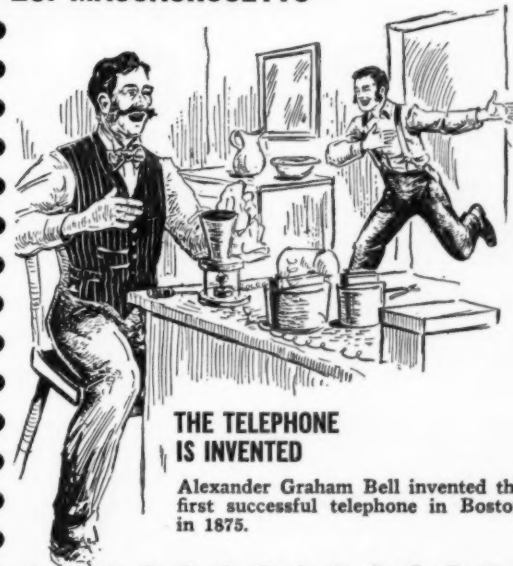
## HIGH SPOTS IN HISTORY

### 20: MASSACHUSETTS



#### THE PILGRIMS LAND

The pilgrims' landing at Plymouth in 1620 was the beginning of the first permanent white settlement in New England.



#### THE TELEPHONE IS INVENTED

Alexander Graham Bell invented the first successful telephone in Boston in 1875.



#### FIRST BATTLES OF THE REVOLUTION

It was on April 19, 1775 that the first battles of the Revolution took place at Lexington and Concord. Three months later Washington took command of the Continental Army.

### ALSO A HIGH SPOT . . .

. . . among insurance agents is the service of these great companies. They know they get speedy, efficient service . . . claims are paid promptly . . . and they get constant home office co-operation. That's why the trend is to Hawkeye-Security & Industrial.

## HAWKEYE-SECURITY INSURANCE CO. INDUSTRIAL INSURANCE CO.

Des Moines, Iowa



## To Raise Auto Rates Again, Leslie Says

(CONTINUED FROM PAGE 17)

These revisions will involve consideration of territorial and class readjustments based on policy year experience through 1950 and will include a review of B.I. and P.D.L. rate levels based on the trend of experience as indicated by the latest available calendar year figures.

It is proposed to introduce a uniform 5% provision for underwriting profit and contingencies in all rates, other than workmen's compensation made by the National Bureau, he said. This is an increase of 2.5 points in the provisions presently included in auto liability rates and would provide a slight additional margin against the contingency of a continued upper loss trend.

This proposal has yet to be cleared with state authorities as a part of any actual rate filings but "it is difficult to see how there could be serious opposition on their part." If the contingencies do not arise and the whole provision is realized as an underwriting profit, it would represent a very modest return to stockholders for exposing their capital in this risk business.

### Average Return of 3.7%.

Related to stockholders' equities for 65 representative stock casualty companies, the average return after federal taxes would be only 3.7%. Investment earnings have no bearing on the determination of a reasonable underwriting profit loading on a risk business such as insurance. The fact that stock casualty insurers entered in New York had an underwriting loss on countrywide automobile liability business of \$151 million in the six years ended with 1950 is certainly proof that this is a risk and not an investment business. A company is entitled to use rates that contain a reasonable margin for underwriting profit, regardless of its investment policy, he declared.

At the request of a subcommittee of National Assn. of Insurance Commissioners, which was considering a proposed profit provision of 2.5% for workmen's compensation insurance, calculations were made by National Council on Compensation Insurance to determine

on the average for all stock companies the relationship of interest earnings to stockholders equity. Following a similar pattern, National Bureau has found that for other casualty lines interest earnings after federal taxes would be approximately 2.3% of stockholders equity. With 3.7% from the underwriting profit provision, this is 6%. Compared with other businesses this is extremely low. The Federal Trade Commission shows an average return, after taxes, on stockholders investment for 25 selected manufacturing industries for 1940, 1947, 1948 and 1949 as 11.0%, 15.6%, 16.6%, 13.0%, and 16.3%.

## EXCESS TABLES

Concern over the adequacy of excess limits tables, first expressed by reinsurance insurers, has spread to many primary writers, particularly those that have been faced with revision of their reinsurance contracts calling for either higher premiums or larger retentions, he said. When reinsurers first discussed the possibility of increasing excess limits charges, the bureau pointed out that, prior to the war, experience had always shown the tables contained a substantial cushion against adverse developments and increases made in basic limits rates since the war would correspondingly increase the excess limits premiums.

In turn, reinsurers pointed out that increasing claim costs have a double barreled effect on excess losses—not only are such losses directly increased but additional losses are thrown into the excess bracket. On their own figures reinsurers also experienced a higher increase in the average cost of excess losses reported to them than had been shown by the bureau's figures based on total claim cost. For both of these reasons reinsurers were not satisfied that percentage increases being obtained in basic limits rates would produce adequate excess limits premiums.

While excess limits losses are reported to the bureau as a part of the regular

statistical call, excess limits premiums are reported only upon special call. Over the years the proportion of total premiums represented by excess limits premiums does not vary significantly from year to year. But, impressed by the case presented by reinsurers, the bureau issued a special call for post-war excess limits experience. Even with losses projected 69 months on factors furnished by the reinsurers, no statistical justification was found for increasing the tables. Only with this year's tabulations, just completed, do figures show inadequacy in any area of the excess limits field. Experience now available shows that on commercial cars as a group the present tables are inadequate. It also shows a definite upward trend for private passenger cars. From 1946 to 1948 the increase in excess limits loss ratios has been almost half again as great as the increase in basic limits loss ratios. This experience is now being studied by the bureau's automobile liability rating committee.

Except one state, excess limits tables are uniform countrywide. Recently in Texas insurers were asked to furnish excess limits experience for that state alone. A similar call has since been issued by Oklahoma.

### Urges Prompt Action

To avoid a multiplicity of calls and to utilize the broadest possible base for establishing excess limits tables, it behooves the bureau to move promptly to some definite conclusion as to what if anything can and should be done with the tables, he said. One point made by local Texas companies is that the Texas basic limits rates are relatively low compared to many other sections of the country, which means that the charges for excess limits, expressed in dollars, are also relatively low. This may not be a sound reason for using different excess limits percentages in Texas, but it does suggest the possibility of securing more dollars in low rated territories by making the percentage charges subject to certain minimum charges for all increases in limits. This principle is now followed for high limits which are handled on an "a" rate basis and it would be desirable to investigate the possibility of its application on a practicable basis for the lower limits as well. This would certainly answer one well merited criticism of present excess charges, namely, the trifling amount of the additional premium for substantial increases in limits. If an increase in limits is made after the policy is issued, both the company and the agent lose money on the transaction as the additional premium is not enough to cover the cost of handling.

Mr. Leslie said that furnishing secretaries of the state agents' associations a publicity release a week or ten days before revised rates became effective has worked out well. The public relations department of Assn. of Casualty and Surety Companies has helped prepare and distribute daily paper releases. The results have been highly satisfactory. The press quickly recognized that information about insurance rates is live news. In many cases releases received front page display. An astonishing number of newspapers supported the statements editorially, telling the people bluntly they could blame themselves, not the insurers, for the boost in prices. A number of columnists commented in the most favorable terms, and the bureau is receiving many calls from special writers who want additional information. The bureau has not found a single instance where the editors, after receiving the news release, thought the rate increases were out of line.

He praised the way in which commissioners have recognized the situation and called attention to the substantial auto underwriting losses in recent years on this line.

To date, revised rates have become effective in all but six of the 41 states and territories where proposed. West Virginia and Puerto Rico disapproved the filings. In Kentucky, Pennsylvania, Wisconsin, and Hawaii they are still under consideration. New filings will be made in West Virginia and Puerto Rico

if the calendar year experience for the first six months of 1951, now being obtained on a state basis, indicates justification for increased rates. Hearings were held in Tennessee, Iowa and Oklahoma before the revised rates became effective—elsewhere informal conferences were sufficient to convince the supervisory authorities of the reasonableness of the proposals. A hearing has just been held in Florida at the request of an attorney who claims to be an aggrieved party and who wants the commissioner to rescind his approval of the revised rates which have already gone into effect. The outcome of the hearing is not yet known.

Because revised rates do not apply to existing business but only to new and renewal policies written after the effective date, the beneficial results of 1951 rate increases already made will be relatively slight on earned premiums that will go into the 1951 annual statements. For B.I. the 14.4% countrywide average increase for private passenger and commercial cars will effect an increase of only 1.2% on premiums earned in 1951, and the P.D.L. increase of 11.0% will effect an increase of only 0.7%, he said.

Arrangements have been made for the reporting of supplementary information as a regular part of the bureau's statistical calls, he said. No longer will it be necessary to make a special call to obtain such information. At all times the bureau will have up to date information on average loss cost trends, claim frequency trends and calendar year experience by quarterly intervals countrywide and by semi-annual intervals by state. In order to furnish this information, carriers have had to make changes in their statistical procedures at considerable additional expense.

## Neb. Mutual Agents Clinics

Nebraska Assn. of Mutual Insurance Agents will hold five agents clinics Nov. 5, 6, 7, 8 and 9 at Beatrice, Norfolk, Hastings, North Platte and Scottsbluff, Nebraska.

Topics will include "Laws of Negligence" by Al Adams, Western Mutual Des Moines; "Financial Responsibility Laws" by Roy W. Blazek, agency management, workmen's compensation, business interruption, liability, additional extended coverage and, of course, the auto policy.

Nebraska 1752 Club will hold its fall party at Lincoln Oct. 12, the day before the Nebraska-Penn State football game.

## Hear State Police Head

Richmond (Va.) Assn. of Insurance Agents opened its new season Sept. 25 with a dinner. Maj. W. C. Thomas, executive officer of the state police, talked about problems confronting highway users, and how those problems affect the accident rate.

Howell M. Baker is the new president of the association; E. D. Turnee, Jr., vice-president, and W. H. Sanders, Jr., secretary.

## G.A.B. Transfers Sapp

Newell W. Sapp has been appointed manager at Greensboro, N. C., for General Adjustment Bureau to succeed H. G. Heyward, Jr., who has been transferred to Memphis as general adjuster for cotton losses. Mr. Sapp was manager at Spartanburg, S. C., before going to Greensboro.

## Chillicothe Agents Elect

Chillicothe (O.) Assn. of Insurance Agents at the annual meeting elected Charles C. Evans as president; Herman Lorbach, vice-president; J. M. Weisenberger, secretary, and John Nickerson, treasurer.


W. S. Keese, Jr., local agent and former national committeeman, has been named chairman of the special gifts division of the Chattanooga Community Chest drive.

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## ACCIDENT AND HEALTH

### Predicts Greatest Expansion for Companion Companies

V. J. Skutt, president of Mutual Benefit H. & A., said that company, and the affiliated United Benefit Life are on the threshold of the "greatest expansion in their history," at the concluding session of the companies' anniversary celebrations at Omaha last week. The meeting was attended by 750 top producers from the U. S., Canada, Alaska and Hawaii.

Mr. Skutt added that a goal of \$100 million in A. & H. premiums has been set for Mutual Benefit, and a billion dollars of life insurance in force has been set for United Benefit Life.

The occasion was the 42nd anniversary of Mutual Benefit and the 25th anniversary of the United Benefit. Among those on hand were Bob Conside, radio commentator, who does a weekly program for Mutual Benefit; Governor Val Peterson of Nebraska; A. R. Jaqua of the life insurance marketing school of Southern Methodist University, and Commissioner Bernard Stone of Nebraska.

The producers were taken on a tour of the home office and points of interest around Omaha. The welcoming address was given by Mrs. Mabel L. Criss, director of personnel and planning. H. C. Carden, advertising director, was general chairman of the convention.

Mr. Jaqua talked on "Sales Talks as Prospects Like Them," and sales talks were given by Mrs. Adele O. Levy of New Orleans; Howard Coron, Cleveland; H. H. Spickelmeier, Enid, Okla., and Chester D. Elson, Indianapolis.

There was a panel discussion on life insurance with N. M. Longworth, vice-president of United Benefit, and R. J. Taylor, educational director, as panel chairmen. The C. C. Criss trophy for the top life insurance producer for June was awarded to Henry Y. F. Lung, who wrote more than \$250,000 that month.

The managers association of the companies at their meeting elected Lyle Hiner of Phoenix, Ariz., as president to succeed H. K. Coffey of Portland, Ore. John Lambert, Cleveland, was named 1st vice-president; Roy Morgan, Atlanta, 2nd vice-president. Frank Walton, Waterloo, Ia., secretary, and C. H. Juergens, New York, treasurer, were reelected.

### Bureau to Resume Health Experience Collection

Bureau of A. & H. Underwriters as of Jan. 1, 1952 will resume its collection of health insurance loss experience statistics under a revised plan. The new plan has been developed by the statistical committee of which Harry V. Williams, Hartford Accident, is chairman.

The bureau first developed its health loss statistics about 1905. The collections were interrupted during the war.

### Little D.B.L. Turnover

The large scale turnover among group companies of business written under the New York disability benefits law expected at the end of the first year's experience didn't take place.

There was a normal turnover among small groups and a general reduction of rates in that field. Substantial dividends or rate credits were paid on the larger group cases, indicative of satisfactory experience. Generally, cases seem to have remained where they were first written.

### New Companion Life Policy

Companion Life has added another A. & H. policy which provides total disability benefits for accident or confining sickness for life, if disability is incurred before age 60, and half rate if thereafter. Full benefits will be paid for non-con-

fining sickness up to three months and 50% for accident partial disability for three months. Coverage is effective at date of issue. The policy covers heart trouble, tuberculosis, and any female disease originating more than six months after date of issue. Hospital and miscellaneous expenses are not covered.

It provides for a grace period of 31 days, and will be issued only in combination with life insurance.

### Doctors Say Medical Care Now Relatively Cheaper

The price of medical care, including drugs, hospital room rates and physician and dental services, was relatively 14% cheaper in 1950 than during 1935-39, according to figures compiled by American Medical Assn. from the Consumers' Price Index published by U. S. Bureau of Labor statistics. The index indicates a 72% rise in the cost of living since the 1935-39 base period, while at the same time medical care prices rose 48%. The increase for food was 104%; apparel, 88%; rent, 31%; fuel, electricity and refrigeration, 41%; house furnishings, 90%, and 50% for items classified as miscellaneous.

The A. M. A. analysis of the index shows that a dollar in 1950 bought 68

cents worth of medical care, but only 58 cents worth of all goods and services.

The 1950 purchasing power of the dollar was 86% as high in terms of goods and services as it was in terms of medical care prices only. Thus, the A. M. A. states that in terms of the purchasing power of the 1950 dollar, medical care was relatively 14% cheaper than in 1935-39. Physicians' fees have risen 40%, but hospital room rates have increased 135%, almost double that of the entire price index.

### Head Is Pierce President

Ralph W. Head has been elected president of Pierce Ins. Co., Los Angeles, to succeed the late Reynolds E. Blight. He has been vice-president and general manager for five years.

### Spetner St. Louis Speaker

Kenneth Spetner, an agent of Travelers, will speak at the first fall luncheon of St. Louis A. & H. Underwriters Assn. October 4. He will discuss the value of accident insurance protection, including its application in conjunction with life insurance.

### Cornett New York Speaker

A. & H. Club of New York will hold its first fall dinner meeting Oct. 3. The speaker is William B. Cornett, di-

rector of sales and service of Prudential's accident and sickness department. That company is entering the A. & H. field early next year. Mr. Cornett's subject is "The Mission of the Life Insurance Companies Entering the Individual Commercial A. & H. Field." A nominating committee will be selected.

### Western Wis. Assn. Elects

A. & H. Underwriters Assn. of Western Wisconsin at the annual meeting at La Crosse elected L. V. Weinsensel, Time, president; Walter Doepke, North American L. & C., vice-president; Edward F. Bartl, Time, secretary.

The organization discussed a plan for cooperative advertising on an association basis to educate the public to the availability of various protection plans available through agents and private insurers.

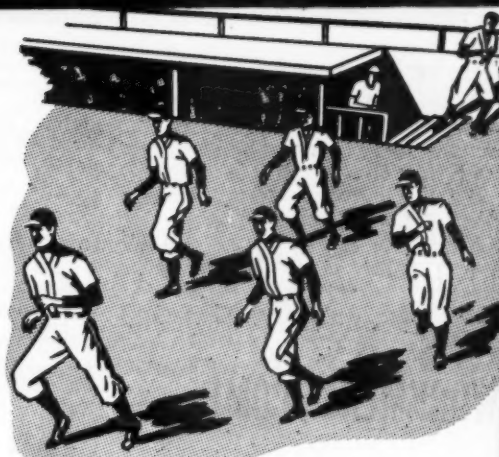
### Pilgrim Life Is Absorbed

United Bankers Life of Dallas has purchased Pilgrim Life of Fort Worth. The latter has been writing polio and the dread diseases policies.

American Mutual Liability has appointed Alexander J. Thiede as manager of A. & H. sales in the south and Joseph G. Orr as A. & H. manager in the western division with headquarters at Chicago.

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## CHANGES IN CASUALTY FIELD

### Synan V. P. and Production Head of Cleveland Agency

Effective Oct. 1, William K. Synan, manager of American Casualty at Chicago, will become vice-president in charge of production for the Dickinson & Co. general agency of Cleveland.

Mr. Synan entered the business with Travelers at Cleveland in 1921. Two years later he joined U. S. F. & G. and in 1929 he went with Alliance Casualty. He became Ohio representative at Cleveland for Accident & Casualty in 1938, and in 1941 he was named superintendent of casualty and liability underwriting at the U. S. head office at New York. Mr. Synan transferred to Chicago as midwest manager of Accident & Casualty in 1948, and in 1950, when the company was merged with American Casualty, he was appointed Chicago manager.



W. K. Synan

### Burr Assistant Secretary

Donald H. Burr, of the special risk department of Aetna Casualty, has been elected an assistant secretary.

He is a graduate of Oberlin College and joined Aetna's Cleveland office in 1929. He was called to the home office in 1938.

### Trinity Universal Changes

E. R. Lincoln has been appointed manager of the contract bond department of Trinity Universal, and George F. Vanderhule has been appointed special agent for both Trinity Universal and Security National Fire.

E. B. Yates and James A. Lent of Trinity Universal home office at Dallas have been assigned to the Columbus, O., branch. M. J. Lankford, also of the home office, has been assigned to the Houston service office.

### Brewington to Mill Owners

H. J. Brewington has been appointed manager of the casualty division of Mill Owners Fire of Des Moines. The company is developing its casualty department to write automobile full coverage.

Mr. Brewington went to Des Moines in 1949 as manager of underwriting for Iowa Home Mutual Casualty and later took charge of its agency department. He was formerly with Hardware Mutual Casualty of Stevens Point and the Kemper companies at Chicago.

### Hartel, Meadows Promoted

Hartford Accident has appointed V. F. Hartel as district engineer at New Orleans. He is a graduate of Tulane University, and has served for 25 years as district engineer for Hartford Accident at Houston.

Clayton J. Meadows has been named district engineer at Houston. Mr. Meadows received his engineering training at Rice Institute. He joined Hartford Accident in 1939 as an engineer at Houston.

### Robinson Shifts to Fla.

American group has appointed Harold H. Robinson as special agent to assist State Agent E. F. Gaskins in the development of casualty business in Florida. Mr. Robinson has been with American since 1940, with the exception of 4½ years in the army. He was most recently assigned to the New Jersey field.

### Joins Industrial Indemnity

Rene M. Claudon has been named home office claims manager of Industrial Indemnity. He recently resigned as branch claims manager for Liberty Mutual at Chicago after 17 years with its claim department at Syracuse, Newark, Milwaukee, Kansas City and Chicago.

### Gilbert Fresno Manager

John F. Gilbert, senior underwriter of United Pacific at San Francisco, will be transferred to Fresno, Cal., Nov. 1, as manager there. The Fresno office, which has been a service office, becomes a full branch office.

E. O. Wayne will be manager of the claims department of the new branch. J. M. Hagemeier, office manager, and R. C. Atkinson, production manager.

Meredith Hilton succeeds Mr. Gilbert at San Francisco.

### McGarvey Conn. Special

Edward M. McGarvey has been appointed Connecticut special agent for American Indemnity. Mr. McGarvey, who will have headquarters at New Haven, formerly was with Merchants Mutual Casualty and Phoenix-Connecticut.

### Edwards in Detroit Claim Post

Hartford Accident has appointed Donald A. Edwards as manager of the claims department at Detroit. He is a graduate of University of Oklahoma and for five years practiced law in New York City.

Addison L. Webb, formerly with Travelers at Atlanta, has been named manager of the casualty, fidelity and surety department of the Pryor, Love, Olliphant & Lewis agency at Chattanooga.

## WORKMEN'S COMPENSATION

### Launch Move for Optional "Comp" Law in Washington

A long range program looking toward bringing about enactment of an optional workmen's compensation law in Washington was suggested at the convention of Washington Assn. of Insurance Agents at Tacoma. Washington has had a monopolistic compensation fund for 40 years.

Representative A. B. Comfort of Tacoma, a member of the association, attacked the present system of paying for administration of the workmen's compensation and medical aid funds out of the general fund. He said the association should undertake a program to acquaint the public with the fact that these costs are being defrayed by the taxpayers generally, rather than by the employers who pay the workmen's compensation premiums. He admitted that labor generally is opposed to any change in the monopolistic act, but that this position has been weakening recently.

The convention instructed the incoming administration to give the subject top priority.

### Calls Hearing for "Comp" Rate Hike of 6.3% in Mo.

JEFFERSON CITY, MO. — Superintendent Leggett has called a public hearing for Oct. 1 on the proposal of National Council on Compensation Insurance that workmen's compensation rates be increased an average of 6.3%.

Also to be considered are proposals by the council that each risk with a premium of less than \$500 carry an expense constant of \$10 and that the profit factor be increased from 1.5 to 2.5. It is also proposed that the effective date on workmen's compensation rate changes be made Nov. 1 rather than Dec. 31 so that Missouri Compensation Rating Bureau will have more time to publish experience rating figures before they are to become effective.

The proposal for the increase is based on additional benefits provided under the workmen's compensation act by the last session of the legislature. It is estimated that these amendments would require an average increase of 11.1% in rates. Recent experience figures, however, indicate that rates should be reduced 4.8%, thereby resulting in the 6.3% proposal by the National Council.

Associated Industries of Missouri at the hearing will oppose both the \$10 expense constant and the 2.5 profit.

### W.C. Rating Complexities Are Criticized by Cheek

RALEIGH — Commissioner Cheek was sharply critical of complexities in the workmen's compensation rating structure at a public hearing here on a proposed compensation rate increase averaging 7.6%.

Mr. Cheek chiefly criticized the system's deviations from manual rates. He referred to a \$10 cost constant for policies costing under \$500, individual risk rating for policies in excess of \$500 and premium discounts on policies costing over \$1,000.

"Wouldn't it be better," he asked, "to make a rate level and let the discounts take care of themselves? It looks now like we're not making rates. Instead, the discounts are the rates. No one ever pays the manual rate any more. It looks like you should always have kept the manual at the point where it meant something."

The proposed rate changes would keep the cost constant firm at \$10 but would add 1% to the expense allowance in the rate structure. However, insured whose premiums amount to more than \$1,000 a year would get larger discounts so they would not share in the bigger expense cost.

"It would shift to the small policy-

holder more of the expense for handling his insurance," argued William Leslie, Jr., assistant manager of National Council for Compensation Insurance.

Commissioner Cheek observed that it might be simpler to increase the cost constant charged the small policyholder. "A fixed cost constant including all of the charge would let the little man know just what it costs you to handle his business." He also called attention to the fact that National Assn. of Insurance Commissioners had suggested that compensation insurers strive to find methods for lowering expenses involved in writing small policies.

According to Compensation Rating & Inspection Bureau of North Carolina, 5.8% of the proposed 7.6% increase is due to loss experience while 1.8% is due to the suggested increase in the expense factor.

North Carolina Industrial Council, an organization composed largely of textile industrialists, filed notice that it is opposed to the increase.

Mr. Cheek said he would announce a decision soon.

### Reynolds Answers "Comp" Charges of Minn. Employers

MINNEAPOLIS — James F. Reynolds, general manager of Minnesota Compensation Rating Bureau, has issued a statement disputing figures and assertions made by Minnesota employers who are appealing to the state supreme court the order of the Minnesota compensation board increasing 1951 rates 8.2%.

In reply to the employers' claim that insurers over a five-year period collected excess premiums of \$9,776,451, Mr. Reynolds quoted figures to show that for the same period the "apparent" excess premiums were \$5,080,436 and were more than offset by reserve funds or credits of \$8,968,757, amounting to a return to employers of 13.9%. Saying that that might look like a deficit for the companies, Mr. Reynolds explained it was made up by so-called salvage recoveries and yield on investments. Benefits, he explained, are not paid in lump sums but extend over a period of years in many cases so that the insurance company has the use of the money during that time.

The employers had raised the question whether the compensation board was competent to pass on rates and

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whether the board should not be abolished. Mr. Reynolds said state regulation is necessary not only to assure reasonable rates but also to insure the solvency of insurers.

"It must be borne in mind that the rate fixed by the workmen's compensation board is merely a basic rate and is subject to changes when applied to various industrial and business establishments in line with the experience in such industries and businesses," Mr. Reynolds said. "It does not represent the actual rate actually charged an individual employer."

### New Surety Assn. Members

Surety Assn. of America has admitted to membership Franklin National and Mechanics & Traders of National Fire Group. Total membership in the association now is 67 companies.

### Big Alaska Contracts Let

Palmer Constructors, Seattle, composed of Peter Kiewit Sons Co., Omaha, Coker Constructors and Morrison-Knudsen Co., Seattle, has been awarded the contract for construction of schedule 1 of the Eklutna tunnel near Anchorage, Alaska, at \$17,348,865. Fidelity & Deposit for Morrison-Knudsen and Aetna Casualty for Kiewit are on the payment and performance bond.

Peter Kiewit Sons Co. has been awarded the contract at \$8,493,313 for construction of outside facilities at the Ladd Air Force Base in Alaska. Aetna Casualty is on the payment and performance bonds.

### Morey Speaks to Adjusters

A. A. Morey, vice-president of Marsh & McLennan, will speak at the next meeting of Casualty Adjusters Assn. of Chicago Oct. 17 at the Morrison hotel on "Wanted: Constructive Thinking."

### Roy Davis Ohio Speaker

Roy L. Davis, midwest manager of the Association of Casualty & Surety Companies, Chicago, will address Ohio Assn. of Casualty & Surety Managers at Columbus Oct. 1.

### Utah Adjusters Elect

Ralph B. Ottenheimer of the Transportation agency at Salt Lake City was elected president of Claim Adjusters Assn. of Utah at the annual meeting at Salt Lake City.

Everett Kunz, Farmers Auto of California, Salt Lake City, was elected vice-president, and Karl Schulke, Employers Mutual Liability, secretary.

### Lloyds Has Air Cover

MIAMI—Hull damage to the Peninsular airliner which made a crash landing at Chicago recently was not covered by insurance, although there is passenger liability coverage of \$10,000/500,000. Damage to the plane is estimated between \$30,000 and 40,000.

Peninsular Air Transport Inc., of Miami, a non-scheduled certificated air carrier, suffered its first accident in five years when an engine of its modified C-46 transport failed shortly after the takeoff from Midway airport. Forty-six of 49 passengers and four crew members were injured, none critically. Peninsular has never had a fatality in its history.

Insurance on the plane was placed by George W. Martin of Cauley & Martin, Miami, with Lloyds through Southeastern Aviation Underwriters, Inc.

Coverage includes \$100,000/500,000 B.I.; \$500,000 P.D.L.; \$100,000 hull damage, ground only, in addition to the passenger liability coverage. Flight (crash) insurance was not carried.

Robert M. Moore, secretary and claims manager of Security Mutual, has been named chairman of the Casualty Adjusters Assn. of Chicago Christmas party to be held Dec. 13 at the Morrison hotel.

### Cravey Keeps Up Attack on Bankers L. & C.

Commissioner Cravey of Georgia has issued a new attack on Bankers Life & Casualty of Chicago. The latter is seeking to compel Mr. Cravey to issue it a license, through mandamus proceedings in Fulton county superior court. C. F. Brunsighan and James A. Ross, Georgia representative of Bankers L. & C., were indicted for bribery, allegedly for using corrupt influence on a Georgia insurance department employee to get certain confidential papers.

Mr. Cravey, in his latest statement, declares that he refused to license Bankers L. & C., because it failed to comply with the Georgia laws in not furnishing certain information in order to clear up "its ambiguous and incomplete reports as to how it was handling the funds it collected from its policyholders."

Mr. Cravey went on to say that with the case in court, the company "still is in business soliciting policies through a big advertising campaign. It is operating illegally, of course, and I am again calling the attention of Georgia citizens to that fact for their own protection."

"The company says I refused to renew its license because it collects more premiums and pays out more claims than any other insurance company in Georgia. That is an outright lie and unfair to the other companies, legally operating in the state. Records on file in my office, submitted by the companies themselves, substantiate this statement. My only concern in any company is that it abide by the law, and that applies to all."

### Allstate Tells Why It Shuns Financing Field

Allstate in its house organ answers the question "Why don't we set up our own finance unit like Ford's Universal or General Motor's G.M.A.C. instead of depending on cooperating banks?"

The management, the reply is, has discussed this question off and on since 1945 and each time it was felt that the cooperating banks setup is best. The handling of auto installment credit is not as simple an operation as it sometimes appears. It is a specialized business which could easily produce costly results if not properly conducted. Allstate has noted the experience that has befallen various manufacturing concerns who have entered the finance field. General Motors is the only company that presently owns and operates a finance-insurance subsidiary. Several years ago Ford sold its interest in Universal Credit to C.I.T.

In the larger cities, there would probably be a sufficient volume of business to warrant a finance office, staffed by experienced people but in the smaller places such an office would be unfeasible and this "would toss a mighty large monkey-wrench into the operation of an Allstate-sponsored finance company." Allstate could not offer any additional advantages to its customers than are now enjoyed by them. Co-operating banks are giving customers the fastest, most efficient service available.

### Commission Scale Uppe

Greater New York Taxpayers Mutual announces that it will increase its commission rate to brokers to 15% Oct. 1. It has been paying 10%. The management states the commission is being adjusted in keeping with prevailing economic conditions.

### Fla. Auto Rate Hearing

T. O. Carlson, actuary of National Bureau of Casualty Underwriters, testified as to the necessity of an automobile liability rate increase in Florida at a hearing at Tallahassee. The proceedings were held because of a protest that was filed by Will O. Murrell, Jacksonville

attorney, against the increases that were approved by Commissioner Larson on July 16. Murrell put in a long affidavit asserting that the increase was granted without notice or a public hearing, that automobile deaths are decreasing in Florida and that the rate increase is arbitrary.

Mr. Carlson testified that automobile insurers suffered a deficit of \$920,000 last year in Florida.

### Cooperative League Has Insurance Program Oct. 17-18

The program is being shaped up for the meeting of the insurance conference of Cooperative League at the Moraine hotel at Highland Park, Ill., Oct. 17-18.

With Frank Paskewitz, group manager of Mutual Service Life of St. Paul as chairman, there will be a talk on "How Insurance Companies Can Develop Good Public Relations" by Dr. Robert N. McMurtry, head of the Chicago management consultant company bearing his name.

J. Orin Shipe will be chairman of a period devoted to "How to Develop an Advertising Program That Will Provide Practical Help to the Salesman." Then with George W. Jacobson as chairman, Harry Becker, director of the social security department of United Automobile Workers (CIO), will give a talk on "Plans of Organized Labor for Group Insurance and Social Security." Dinner speaker will be Jerry Voorhis on "Europe as It Looked to Us."

The second day with C. C. Gay as chairman, Henry W. Persons, Chicago manager of Mutual Life of New York, will give a talk on "How to Build an Effective Sales Program—the Birth of a Salesman."

### Pamphlet on Construction Bonds

"Credit Factors in Construction"—a pamphlet containing the address given

by Edward H. Cushman, Philadelphia attorney, at the annual meeting of National Assn. of Surety Bond Producers at Houston earlier this year, has been reprinted by Surety Assn. of America, and is being distributed to American Society of Civil Engineers, insurance section of American Bar Assn., credit associations, material suppliers, etc. Copies may be obtained without charge from the educational department of the association at 60 John street, New York.

### Big P.D.L. Loss in Series of Rochester Explosions

Sixteen homes were completely destroyed and 24 others damaged by a series of gas explosions in the Brighton suburb of Rochester, N. Y. Two children were killed, one adult died of a heart attack, and about 25 persons were injured, three of whom seriously enough to go to the hospital. The dwellings, averaging about \$25,000 apiece, were in a 2-mile square.

Total property damage was estimated at \$1 million. It was reported that Rochester Gas & Electric Corp. carried bodily injury and property damage liability in an American company.

An official of the utility indicated the explosions probably resulted when a surface construction flare, lighted by employees of the utility, ignited gas escaping from an underground regulator vault. This apparently destroyed six valves, which allowed high pressure gas into lines serving homes equipped for low pressure fuel. The high pressure gas leaked into the homes and was ignited there by pilot lights or in some other way.

### No Report by Auto Committee

The all-industry committee on motor vehicle accidents held a meeting last week in New York City. Apparently no complete set of conclusions was reached.

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## Better Trend in Cases on Agricultural Aviation; Rome Convention Reviewed

The development of better planes, combining the speed of aircraft with the agility of the helicopter, the discovery of newer and more powerful chemicals and the cooperative spirit of farmer, duster, manufacturer and federal and state agencies have given the adolescent agricultural aviation industry a lot of assurance, Peter J. McBreen, assistant director of claims of U. S. Aviation Underwriters, told the insurance section of the American Bar Assn. in New York. Mr. McBreen believes that agricultural aviation's future is secure and the benefits the country will reap from its development are limitless.

On the aviation section program with Mr. McBreen were George W. Orr, director of claims of U.S.A.U. and George A. Smith of Atlanta, who discussed the admissibility of the testimony of government investigators in negligence cases.

### When Farmer Is Liable

A review of liability cases in the agricultural aviation field establishes the fact that recovery can be had from the defendant farmer on the basis of the inherently dangerous doctrine or on the doctrine of private nuisance, Mr. McBreen said. Courts show a marked tendency in later cases to permit the defendant to avail himself of common law defenses, even where they apply the inherently dangerous doctrine. This departure from the strict rule of the early cases seems to indicate the industry is coming of age and that the courts, recognizing its benefits to the economy, are more equitably approaching the question of liability.

In *Gerard vs. Fricker* the Arizona supreme court in 1933 established the harsh precedent, unfortunately followed in later cases, that aerial dusting was per se inherently dangerous and imposed strict liability on the farmer at whose request dusting operations were performed.

### Theory of Nuisance

Another line of cases decided liability in aerial crop dusting operations on the theory of nuisance and have permitted the defendant to avail himself of the regular common law defenses in order to absolve himself of liability. Under this theory, the farmer is liable on the basis of private nuisance to adjoining landowners and not because of the inherently dangerous nature of the work.

Another case that established a landmark is *Chapman Chemical Co. vs. Taylor*, where the chemical company manufacturing the herbicide was implicated on the theory that the latent drift characteristics of the herbicide had not been made known to the farmer. The case went against the chemical company and not against the farmer. Here the doctrine was laid down that privity of contract was not necessary between plaintiff and defendant to establish liability.

To the present day farmer, the value of aviation is almost unlimited, Mr. McBreen said. He mentioned seeding, reforestation of burned out areas, frost control, application of herbicides and pesticides to crops and forests, etc. Crop losses totaling \$5 billion in 1949 alone were saved by application of pesticides

and herbicides, it is estimated. About 25% of these were applied by aircraft.

Mr. Orr brought the section up to date on the Rome convention. An instrument like the Warsaw convention is needed because it provides an international set of rules governing the rights and liabilities of aircraft operators, shippers and passengers, he said. That convention has been of great value in promoting international air transport.

The Rome convention, on the other hand, does not attempt to help the foreign claimant in a strange land. It deals only with damage done by a foreign aircraft to persons and property on the surface. It invades the nation in which the accident occurs, superseding local law in connection with local claimants because of a local accident.

The text of the Rome convention as revised at Mexico City in January, 1951, applies only to foreign aircraft. The high verdicts under this convention are supposed to come from U. S. courts. U. S. airlines are doing the bulk of flying.

### Contra U. S. Ideals

The Rome convention imposes absolute liability, regardless of fault. It is not U.S. law, and is against the U. S. basic ideals of justice to both parties, he declared.

The revised convention provides that the liability shall attach to the aircraft and be dealt with only in courts of the country in which he damage occurs. Thus the defendant will always be a foreigner in a foreign court, whose judgment can be executed in the defendant's own country and are not open to challenge on the merits. This will be a bonanza for the plaintiff's lawyers and their clients. No matter how exaggerated their claims, they go to court with the guarantee of a verdict and assurance of sympathy for local claimants against foreign defendants. The convention imposes compulsory insurance, which is a public invitation to come and get it. Almost any claim, even if utterly without merit, will be good for a substantial settlement because of the high cost of defense in a foreign land.

The present draft of the convention provides absolute liability up to a limit of 10 million gold francs or \$663,350 U. S. currency. The Mexico City draft does place a limit of 300,000 francs, about \$20,000, on injury or death of an individual. This is nearly 2½ times the Warsaw convention limit of 125,000 francs and sets a precedent that will strongly influence the raising of the limit in that convention, now under consideration, Mr. Orr said. He also noted that the aircraft operator must insure the risk in the country in which the aircraft is registered though no adequate aviation insurance market exists in many of the countries concerned.

The Rome convention draft prepared in Mexico City is considered final by the legal committee. The text has been circulated to the nations with a view to its submission to a diplomatic conference or a session of the International Civil Aviation Organization about June, 1952.

New Jersey Manufacturers Casualty has become licensed in Connecticut.



"MAY DONALD BORROW YOUR CAR, DAD? HE SMASHED HIS IN ANOTHER WRECK."

## Eyes Insurance in Agenda for Age of Inflation

The three-installment article entitled "Agenda for the Age of Inflation" that has been appearing in the *Economist* of London and that is attracting the utmost attention of economists contains one specific reference to insurance. This was in the second installment in the issue of Aug. 25.

The author of this series is not identified. The by-line is simply "By A Correspondent." On the matter of insurance he writes:

"There should be a new basis for most kinds of insurance. At present the insurance contract is of the 'I pay the company a fixed sum annually and when I die or retire, or the untoward event happens, it pays me a fixed sum which it hopes will be covered by my premiums.' We should substitute where possible a contract of the form—'I pay the company an annual premium increasing yearly with the cost of living, and it promises me a sum that increases in the same way.' By this method the company pays the claims of my predecessor out of what I currently pay him and similarly, my successors pay for me. By the present method all insurance is biased against the insured who pay in good money to receive bad."

The "correspondent" tosses this in the pot without answering any one of the thousand of practical questions that will occur to any insurance man. However, his article on the whole is gripping and is currently molding a lot of opinions.

It would, for instance, be an excellent document to be filed by insurance companies as justification for rate increases. It might tend to elevate the sights of supervising authorities who are insisting on slavish adherence to statistics and historicity for changes in rates.

The article starts right out by saying that the purpose of the articles is to show that prices will continue to rise as far as human wisdom can see ahead; that this fact must be candidly recognized and that we must adapt many of our institutions to it.

The author said that all sensible men will earnestly desire stable prices and be prepared to make great sacrifices to this end but no sensible man will rely on achieving it.

The 19th century, he said, was one of stable prices, while in this century there has been a steady increase without the least sign of a falling off in the post war period. Among the inflationary in-

fluences that he enumerated are war and the cold war, the strength of trade unions, the sacrosanctity of full employment and other aspects of Keynes' doctrines, such as desirability of cheap money under all circumstances; the shift of all democratic countries to the left; deflation which is a right wing measure, hurts a few voters immediately a great deal rather than many voters a little in the long run as does inflation; social services which are an inexhaustible drain on the government purse; the trend toward equality of incomes and of capital wealth; the price control habit which prevents governments from getting at the cause behind the symptoms; the fact that some price controls have an upward not a downward bias; the fact that all these tendencies are world-wide; the end of free trade; the end of the gold standard; the headlong urge toward industrialization on the part of backward but politically independent countries; the new habit of intergovernmental charity.

### Safety Engineer Speaks

Glen Fowler, safety engineer of U.S.F.&G., spoke on "Industrial and Traffic Safety" before Peru (Ind.) Insurance Agents Assn. emphasizing traffic safety in connection with the operation of fleets of trucks.

### Minnesota Meetings Set

Minnesota Assn. of Insurance Agents has announced that its midyear meeting will be held in April and its 1952 annual meeting will be at Duluth Sept. 11-12.

### Noll New Alton Chief

New officers elected by Alton (Ill.) Assn. of Insurance Agents are: President, George J. Noll; vice-president, George J. Thomas; treasurer, Dorothy J. Sturgeon; secretary, Raymond W. Luken. The retiring president is Dudley F. Giberson.

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A GOOD YEAR TO CONNECT WITH A GOOD COMPANY



## Sound Approach to Hiring for Key Insurer Posts

Fire and casualty company management probably is as much interested in manpower problems as it has ever been. Many insurers are seeking more effective methods of selecting and upgrading key personnel. Several of them are today utilizing the services of such organization as Klein Institute for Aptitude Testing, particularly for screening out applicants for field men, underwriters and other key posts.

The experience of the Klein organization in the fire and casualty field indicates which methods are most effective in selecting manpower successfully.

In hiring a man, management generally hopes to find the answers to these key questions: Will he fit? Will he stay? Will he grow?

How do insurer hiring procedures measure up against this yardstick?

The first step is thorough job analysis. Too many companies hire men who "look good" and then hope they will be able to do the job. The job functions should be spelled out, then applicants screened from the standpoint of whether or not they fit the specific job.

In evaluating an applicant for the job of special agent, for example, according to the Klein staff, it takes a certain kind of man to carry the company's message to agents, in order to motivate the latter to give the insurer the kind of business it wants and in the quantity it wants.

### Background, Attitude, Fitness

In screening applicants, there are three areas to explore—background, attitudes towards the job and the company, and aptitude or psychological fitness for the job.

As to background, the best advice is to know the facts about the man. A good application blank is a fact-finder. Identify those facts which pinpoint probable success or failure on the job.

Experience may be an important factor. Yet, has the company ever hired a man with experience who has failed? Has it ever hired a man without specific experience in the fire or casualty field who has succeeded? Experience might not be the only key to success or failure.

Research shows that some men will not employ a special representative or field man who stands under 5'10". "Is this a success factor for your company? Have you ever hired men over 5'10" who have failed and under 5'10" who have succeeded?"

All those who employ men have their pet peeves and idiosyncrasies when it comes to hiring. But the Klein Institute has found that the following background factors are failure traits in new men:

### Indices of Failure

Has the applicant failed in business for himself? Is there a recent separation or divorce in his background? Does a job with this company mean a big cut in income? Has he changed address too frequently? Is he overwhelmingly in debt?

To employ a man with any one of these facts in his background is to take a risk that he will fail regardless of ability.

Klein psychologists also suggest the company explore the applicant's and his family's attitudes toward this proposition and this company. A good interview is the attitude finder, encourages the applicant to reveal his true attitudes towards the job, his aspirations for the future, and his attitude toward current personal and domestic situations.

In many interviews, particularly where sales-minded executives are doing the interviewing, the applicant gets very little chance to talk. He gets sold either directly on the job and the company, or indirectly through listening to

the personal success story of the interviewer.

When interviewing an applicant, the employer is sitting in the buyer's seat. Give the applicant opportunity to talk and ask him questions which probe his "mind-set" towards the job.

Wrong attitude on part of applicant or on part of family can stop him from producing or make him quit. "You don't hire a man, you hire a family".

The final step in selecting key personnel is aptitude testing to determine psychological fitness for the job and for the company.

Research reveals that a man may have psychological fitness for a job with one company, yet not have it for a similar job with another company in the same business. That is why experience in the business alone may not always spell success. Adaptability, trainability and adjustability in the new job for the new company is one important success factor measured by the aptitude tests.

For job of field man, the aptitude test can give management answers to these questions in advance of employment.

### Can He Take It?

Can the applicant take travel? Does he have sales sense for assisting agents to produce more business? Can he take turn downs? Does he have the tendencies toward taking on personal or domestic difficulties? Does he have inner drive and fighting-for-business qualities? Can he build goodwill?

The man may look good at time of hiring. He is affable, yet he fails in the field because he can't take travel or he spends non-productive time in over-socializing or over-entertaining. Psychological testing reveals playboy tendencies.

For the job of underwriter, and other key office personnel, aptitude tests indicate in advance of employment capacities for handling detail, self-sufficiency and temperament for inside work at a desk, capacities for handling complaints or objections tactfully and diplomatically, and capacity to function as part of an office team.

Companies in the fire and casualty field which are following these simple rules for hiring by standardizing their selection procedures claim to have cut the costs inherent in hit or miss hiring.

## Wife Can Sue in Consortium Loss, N. Y. Court Holds

The New York supreme court, Nassau county division, not long ago decided that a wife has a cause of action for loss of consortium due to personal injuries suffered by her husband because of the defendant's alleged negligence. The case was Passalacqua et al. vs. Draper, successor trustee of Long Island Railroad.

The husband was injured in the Long Island wreck near Richmond Hill last November, in which a number of persons were killed. The defense of Draper as trustee of the railroad was that no right of action exists in New York in favor of a wife for loss of consortium. The defense cites three cases to support this view, Goldman vs. Cohen, decided in 1900; Landwehr vs. Barbas, decided in 1934; and Maloy vs. Foster, decided in 1938. In the latter case the court concluded that a husband may maintain an action for loss of consortium when his wife is injured by a third party, but the wife cannot.

### Agrees With Federal Case

The Nassau county court stated that it was in agreement with the opinion in the Hittaffer vs. Argonne Co. case, a federal suit in which the wife's right for damages for loss of consortium was upheld.

"The status of a wife has changed materially in modern times," the Nassau court stated. "Women are not second rate citizens. They are active in the home, business, the professions, politics and in every phase of civic and community affairs. The area of their endeavor and the extent of their work is unlimited. When so-called intentional or malicious invasions of the right to consortium gave rise to a cause of action for damages in New York, no distinction was made between the wife's interest in the marital relation and that of the husband."

The court quoted Bennett vs. Bennett, a New York case, in which the court of appeals stated that the husband's right to the conjugal society of his wife is no greater than her right to the conjugal society of her husband. Interference with these rights of husband or wife is a violation of a natural right and of a legal right arising out of the marriage relation.

The Nassau county court could find no logic to the contention that a hus-

band may sue for loss of consortium but a wife may not, where the injury caused by the third party is merely the result of negligence. The motion to dismiss the complaint was denied.

## Independent Adjusters Plan Activities at S. F.

National Assn. of Independent Insurance Adjusters is holding a regional meeting at the Palace hotel, San Francisco, Oct. 25, and the next day at the same place will be held the convention of California Assn. of Independent Insurance Adjusters.

Frank Tidwell of Los Angeles is in charge of the national gathering which will be attended by John D. C. Roane of Baltimore, the president. There will be a luncheon that will be attended by a number of California loss and claim representatives.

H. H. Chalmers is chairman for the California program. Thomas L. Larke, San Francisco broker, will spearhead a claims quiz forum. Mr. Roane and Commissioner Maloney of California will be luncheon speakers.

## Line Up Ariz. Program

The tentative program has been arranged for the annual convention of Arizona Assn. of Insurance Agents at Tucson Oct. 15-16. The meeting will begin with a breakfast for the executive committee and Arizona advisory committee and at the first general session President Frank Middleton will give his report, as well as State Director Kenneth Nehring.

In the afternoon there will be a talk on the legal responsibilities of insurance producers, and an address by R. W. Doe, vice-president of Safeway Stores. There will be a panel discussion on agency management with the agents participating and in the evening Blue Goose will have a party.

The second day Frank H. French, Pacific Coast manager of Factory Association, will talk, and there will be an address by Maurice Herndon, Washington representative of the National association. Paul Jones, chairman of the contact committee, will lead a panel on questions and answers on financial responsibility and the assigned risk plan.

## Seminar at U. of Minn.

General liability and A. & H. will be the two courses offered at the insurance seminar Nov. 5-6 at University of Minnesota, sponsored by the university and Minnesota Assn. of Insurance Agents.

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# INSURANCE NEWS BY SECTIONS

## IN THE SOUTHERN STATES

### Controversy at Miami on Placing City Insurance

MIAMI — Greater Miami Insurance Board may be asked to serve as adviser to the city of Miami in placing its insurance as the result of small explosion in the city commission over the placing of a large policy with three members of the board.

Commissioners Charles and Palmer expressed opposition to placing a \$1,311,750 fire and windstorm policy on the city's Dinner Key property without consultation with them.

The five-year policy carries a reported annual premium of \$6,371.50. Frank O. Pruitt, president of Greater Miami Insurance Board, gets 40% of the business, as does Raymond Butler, while 20% goes to Stevenson-Houston-Hosford Co., of which Walter I. Stevenson, immediate past president of the board, is president.

Mayor Wolfarth indicated that Mr. Pruitt had received a share of the Dinner Key policy because he had been deprived of promised business on the new city library.

The mayor read a letter from Finance Director Shaw written in 1949 when the city was negotiating a \$365,000 loan to complete financing of the new library. This letter said Bessemer Properties was willing to make the loan, but requested that Mr. Pruitt be given the insurance on the building.

The business went to Kelly-Phillips, an agency headed by Thomas Kelly, briefly sheriff of Dade county. The mayor implied that the commission had broken a promise to give the business to Mr. Pruitt.

### M.P.I.R.O. Asks Control of N. C. Output Policy Rating

RALEIGH—Multiple Peril Insurance Rating Organization put in a bid at a public hearing here to handle rating of the manufacturers' output policies in North Carolina, and met no opposition. Other rating bureaus, however, advised Commissioner Cheek that M.P.I.R.O.'s authority should be limited in order to prevent it from stepping into fields in which the other bureaus now have rate-making authority.

The hearing resulted from a ruling by the attorney general that the output policy could not be rated by North Carolina Fire Insurance Rating Bureau if it were designated as inland marine coverage. Commissioner Cheek said the policy had not been so designated, but proponents of M.P.I.R.O. pointed out that the policy is so broad it would be difficult for any other one bureau to handle. They added that M.P.I.R.O. was set up especially to handle the rating on output and other types of all-risk policies.

Commissioner Cheek said he would announce his decision as soon as possible.

### Alabama Agents to Hold Series of Regional Meetings

A new series of regional meetings of Alabama Assn. of Insurance Agents will start at Decatur Oct. 25.

Educational forums at each meeting will feature panels composed of company men and agents. They are furnished by Alabama Fieldmen's Assn., and are organized under its public relations committee. Ralph W. Black, state agent for Hurt & Quin, Montgomery, is in charge of the panels.

The full schedule and the directors in charge follows: District 13, Decatur Oct. 25, Ned Frazier; 12, Gadsden Nov.

25, Jack W. Jones; 8, Selma Jan. 24, C. W. Hooper; 4, Dothan Feb. 21, Jack F. Ussery; 1, Mobile March 25, Stephens G. Croom.

### Ireland Roanoke Chief

James W. Ireland has been elected president of Roanoke (Va.) Assn. of Insurance Agents. O. Halsey Hill is vice-president, and L. Graham Haynie, Jr., secretary.

Fire Prevention Week plans were discussed.

### Aid on Tex. F.R. Law Urged

At a meeting of San Antonio Insurance Exchange President Luther C. Beery and others stressed the importance of cooperation with the Texas safety department in connection with the new financial responsibility law which becomes effective Jan. 1.

The fact that it is a safety law was emphasized. It was pointed out that there is no requirement in the law that anyone must buy insurance, that the public must be made aware of this fact and that agents must aid automobile owners.

Mr. Beery and Newton Jackson reviewed the advanced school of agency management which they attended at University of Connecticut.

### Chicagoan La. Speaker

Donald J. MacDonald, assistant auditor of Northern Trust Co. of Chicago, is scheduled to give a talk on "Bank Insurance Coverage" Oct. 25 at the convention of Louisiana Bankers Assn. at New Orleans.

## EAST

### D. C. Group Hears Morse Discuss Education for Agent

WASHINGTON — Speaker at the first luncheon meeting of the season of District of Columbia Assn. of Insurance Agents was Robert Morse, director, educational advisory department, American Institute for Property & Liability Underwriters on "Education and the Insurance Agent."

Victor Schinnerer, new president, presided. V. Manning Hoffman, immediate past president, reported on the N.A.I.A. convention; Charles Barkley spoke for the Community Chest and George Bond for the education committee.

Charles Connor, formerly D. C. deputy superintendent, now of People's Life, was presented a desk set as a token of appreciation of his service in the insurance department.

William d'Espard introduced Robert Morse, who discussed the C. P. C. U. program and its advantages.

### Two New England Speakers

Frederick Dominick of Middlesex Mutual Fire will address the Oct. 5 meeting of New England 1752 Club at Framingham, Mass., on "Analyzing Financial Statements and What Happens to a Dollar When It Gets to the Home Office?" William Woodland, editor of the Standard of Boston, will address the group on current conditions in the business.

### Set Sullivan Co. Meeting

Sullivan County (N. Y.) Assn. of Insurance Agents will hold its annual meeting at the Concord hotel, Kiamesha Lake, Oct. 18. The program includes golf in the morning and a forum on insurance topics sponsored by the state

association in the afternoon. There will be cocktails, dinner and entertainment in the evening.

### Hartford Veterans Honored

A dinner of the 25-Year Men's Club of Hartford Fire, Hartford Accident and Hartford Live Stock brought together 160 employees of the three companies whose service totals more than 5,100 years, as guests of the companies.

Jack Cheney, an underwriter in the liability department of Hartford Accident, was elected club president. He succeeds Joseph Hutchison, auditor for Hartford Fire and Hartford Accident.

The Sparks Club, association of mutual company field men, held its annual outing at Betterton, Md. The two-hour boat trip started at Havre de Grace.

Paul W. Rork of Paterson, N. J., has been appointed manager of the insurance department of the George E. Wilms & Co., agency at Fair Lawn. He has been a field man for Aetna Casualty for five years.

## MIDDLE WEST

### Road Aid Plan of Detroit

### Agents Shows Good Growth

Detroit Assn. of Insurance Agents, reporting on the first half year operations of its Road Aid program, notes that 112 companies are supporting the organization and there are more than 300 agencies making use of the facilities.

Road Aid has been reorganized and Clyde Morrison, secretary-manager of Detroit Assn. of Insurance Agents, is in charge with Mrs. Constance Hall as supervisor in charge of administration and processing. Richard Kelly is manager and director of field services.

There are approximately 300,000 insured with service cards for Road Aid. A network of station coverage has been set up with 81 garages and gas stations participating. In the first half of 1951, more than 14,000 claims were processed at an average cost to the companies of \$2.82.

### Welsh Talks on Flood Cover

William J. Welsh of Kerdolff, Kline & Welsh, Kansas City, spoke on "What About Flood Insurance?" at a luncheon meeting of St. Louis insured members' conference Tuesday.

### Agents at Shrine Meeting

Among the Wichita agents at Denver this week with the patrol of Midian Shrine Temple of Wichita for the Central States Shrine Assn. reunion are Dorth Coombs, a past president of Wichita Assn. of Insurance Agents; Ted Hiebert, Joe Moddrell, Kyle McGee, Mac Bentley, L. T. Stubbs, Dick King, Don Reed and Ewing B. Fergus. With the band are D. H. Spencer, Joe Moddrell, Jr., and John Foster from Wichita; Lloyd Bishop of Clearwater and Russell Branden of Kingman.

### Gregory St. Louis Instructor

An elementary general insurance course is being offered as part of the adult education course of St. Louis downtown Y.M.C.A. The instructor is B. G. Gregory, executive secretary of Missouri Assn. of Insurance Agents and manager of Insurance Board of St. Louis.

James C. O'Connor, editor of Fire, Casualty & Surety Bulletins, gave a talk on developments in insurance coverages at a meeting of Dayton Fire & Casualty Underwriters.

## COAST

### Importance of Insurance to San Francisco Shown

Insurance employs nearly 19,000 persons and meets an annual payroll of \$58,500,000 at San Francisco, according to a study prepared by Ralph Koeber, manager of the research department of the San Francisco Chamber of Commerce.

The study reveals that fire and marine insurers employ 6,287 persons for an annual wage of \$17,800,000; casualty, fidelity, surety and related lines, 4,318 and \$12,800,000; life insurance 2,699 and \$9,200,000.

Offices handling other types of insurance employ 1,188 and pay \$4,100,000 in wages annually. In addition there are 4,410 agents and brokers receiving \$14,600,000 a year.

Of the 618 companies licensed in California, 439 have selected San Francisco as state headquarters—in many cases the headquarters for the 11 western states.

### Roy L. Davis Featured at Denver Gathering



Roy L. Davis, midwestern manager of Assn. of Casualty & Surety Companies, who was a speaker at a Denver Insurers luncheon, is shown with James M. Kellett (right), president of Denver Insurers, and William D. Sanborn (left), president Colorado Assn. of Insurance Agents.

### W. M. Sheldon to Speak at Colorado Agents Meeting

Walter M. Sheldon of Chicago, new vice-president of National Assn. of Insurance Agents, has accepted an invitation to speak at the annual meeting of Colorado Assn. of Insurance Agents at Colorado Springs Oct. 5-6.

Mr. Sheldon's acceptance completes a notable program of speakers, including Hugh D. Combs, executive vice-president U. S. F. & G.; W. S. Chandler, manager of advisory service on agency management of Phoenix of Hartford; R. J. Layton, vice-president of Rough Notes, and S. T. Shotwell, Pacific Coast manager of North British.

The theme of the convention is "Problems of Agency Management."

### New Mont. Claims Firm

Lawyers Insurance Claims Service has been organized in the Treasure State building at Billings, Mont. John C. Sheehy, practicing lawyer and former Montana deputy insurance commissioner, is in charge of the home office operations. Albert D. McCumber, who has had 27 years' claims department experience with insurance companies, is office manager and claims examiner.

Arthur Brasted, Wichita local agent, has been named treasurer of the Wichita Salvation Army board.



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# Little Stone House on the Campus

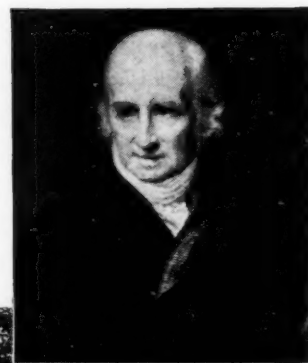
*"In academic shades  
The artist's fame shall last."*

On the campus of Swarthmore College stands the house where Benjamin West was born in 1738. Now owned by the college, it commemorates the first American artist to achieve international renown.

Despite the rigors of the Pennsylvania frontier where West spent his boyhood, his talent found expression. When only six years old he made a remarkably lifelike picture of his sister's baby asleep in her cradle. From friendly Indians who saw his efforts he learned how to prepare red and yellow pigments and he made a paint brush by clipping hair from the family cat and binding it to a quill. Before he was out of his teens he was earning money as a portrait painter.

At the age of twenty-two West went to Italy where as an artist from a supposedly savage country he caused a sensation. Three years later he established himself in London and never returned to America.

Before leaving this country West had paid court to Elizabeth Shewell but her wealthy brother looked with disfavor on the struggling young artist. After West settled in London he wrote Elizabeth asking her to come over and marry him but the brother discovered the letter and locked Elizabeth in her room. However, three of West's friends, one of whom



was Benjamin Franklin, assisted the young lady to escape by means of a rope ladder and drove her to a ship which weighed anchor a few minutes later. On board was West's father who escorted her to the bridegroom.

West, one of the founders of the Royal Academy, became president after Joshua Reynolds' death; he was appointed historical painter to King George III and was offered knighthood but declined the honor.

In his painting "The Death of Wolfe" he revolutionized art by depicting the characters in costumes of the proper period rather than in classical garb as had been customary. As teacher and counselor of many of his compatriots, including John Copley, Gilbert Stuart, Charles Willson Peale and John Trumbull, he exerted great influence on American art.

*West's sleeping niece served as an early model*



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